



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of December 13, 2024

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TABLE OF CONTENTS

Part V Section 301.03 Eligible Depositories and Ratings	3
301.03A Eligible Depository	3
301.03B Verifying Depository Ratings	5
GLOSSARY	6



301.03 Eligible Depositories and Ratings

301.03A Eligible Depository

Requirements

You must ensure all Custodial Accounts are demand deposit or money market accounts maintained at an Eligible Depository. An Eligible Depository is:

- a Federal Reserve Bank;
- a Federal Home Loan Bank; or
- depository institution if it complies with the following.

Depository Institution...	Must...
Accounts	Be insured by the <ul style="list-style-type: none">• Federal Deposit Insurance Corporation, or• National Credit Union Share Insurance Fund.
Rating	Have an applicable Federal or State rating of <ul style="list-style-type: none">• well capitalized, or• if unrated, meet the capital requirements for a well capitalized rating.



Depository Institution...	Must...
Minimum Financial Ratings for Assets \$20 Billion or More	<ul style="list-style-type: none"> • If rated by both S&P and Moodys, meet all of the following: <ul style="list-style-type: none"> - for S&P: <ul style="list-style-type: none"> ▪ an A-2 short-term issuer rating; and ▪ a BBB long-term issuer rating; and - for Moodys: <ul style="list-style-type: none"> ▪ a P-3 short-term bank deposit rating; and ▪ a Baa2 long-term bank deposit rating. • If only rated by S&P, have: <ul style="list-style-type: none"> - an A-2 short-term issuer rating; and - a BBB long-term issuer rating. • If only rated by Moodys, have: <ul style="list-style-type: none"> - a P-3 short-term bank deposit rating; and - a Baa2 long-term bank deposit rating.
Minimum Financial Ratings for Assets Less than \$20 Billion	<p>Meet at least 1 of the following:</p> <ul style="list-style-type: none"> • For S&P: <ul style="list-style-type: none"> - an A-2 short-term issuer rating; and - a BBB long-term issuer rating. • For Moodys: <ul style="list-style-type: none"> - a P-3 short-term bank deposit rating; and - a Baa2 long-term bank deposit rating. • For IDC Financial Publishing, Inc., or its successor, a 175. • For Kroll Bond Rating Agency, Inc., or its successor, a C+.

Operating Procedures

You may establish the account within your own institution if you

- are an Eligible Depository, and
- do not use your general ledger or internal operating account for Custodial



Accounts.

301.03B Verifying Depository Ratings

Requirements

You must monitor the financial viability of custodial fund depositories.

If a depository or its holding company does not meet the Eligible Depository ratings per [Part V, Chapter 3: Custodial Accounts, Section 301.03A: Eligible Depository](#), you must transfer the Custodial Account to an Eligible Depository within 30 days.

Operating Procedures

To determine an Eligible Depository:

- use the most recent financial ratings issued within the past 3 months; and
- confirm the ratings every 3 months.



Glossary

C

Custodial Account

Accounts established by the Servicer for depositing P&I payments, T&I funds, Collateral Agreement deposits, and other similar funds.

Synonyms

- Custodial Accounts