



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 303 P&I Custodial Accounts

303.01 Accounts and Deposits

Requirements

You must:

- Maintain 1 separate P&I Custodial Account for each of these Mortgage Loan categories:
 - Cash Mortgage Loans and PFP Mortgage Loans;
 - MBS Mortgage Loans, including
 - MBS Mortgage Loans issued using a REMIC election after January 1, 2021, and
 - MBS for Bonds;
 - Credit Enhancement Mortgage Loans or transactions with Credit Enhancement Instruments;
 - REMIC transactions submitted in the Multifamily Negotiated Transactions (MFNT) application; and
 - any other Securitized Mortgage Loans.
- Not commingle P&I Custodial Account funds among the Mortgage Loan categories. For example, P&I funds for an MBS Mortgage Loan may not be commingled with P&I funds for a Cash Mortgage Loan, even for the same Borrower.
- Use P&I Custodial Accounts for all Borrower P&I Mortgage Loan payments, including any
 - unscheduled principal or interest payments,
 - Delinquency Advances, or
 - recovered Delinquency Advances.

Guidance

You may commingle P&I funds for all Mortgage Loans within the same Mortgage Loan category.

303.02 Withdrawals



Requirements

You must only withdraw funds from the P&I Custodial Account to:

- Remit funds to Fannie Mae.
- Reimburse a Delinquency Advance recovered from subsequent collections.
- Remove funds erroneously deposited.
- Transfer interest or typical demand deposit or money market account earnings.
- Pay the Guaranty Fee (unless you received a notice of default from any Security Trust Indenture guarantor).
- Remove fees, charges, or other amounts deposited on a temporary basis, including
 - late charges,
 - Servicing Fees, or
 - unsecuritized excess spread (i.e., when a Mortgage Loan's Pass-Through Rate is greater than the MBS Pool's Pass-Through Rate).
- Clear and close the account.
- Transfer any funds to 1 or more other Custodial Accounts per this Chapter.



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

C

Cash Mortgage Loan Mortgage Loan purchased by Fannie Mae in exchange for cash.

Synonyms

- Cash Mortgage Loans

D

Delinquency Advance Your required advances for scheduled monthly Mortgage Loan principal and/or interest per

- your Lender Contract, or
- the Guide.

Synonyms

- Delinquency Advances

G

Guaranty Fee Fee retained by Fannie Mae for credit enhancing a Mortgage Loan or assuming credit risk on a Mortgage Loan, and which may be expressed as a percentage.

Synonyms

- Guaranty Fees

I

Indenture Bond issuer trust indenture or resolution listing Bond terms.



M

MBS for Bonds

Fannie Mae MBS:

- issued to credit enhance tax-exempt Bonds; or
- exchanged for Bonds redeemed at MBS issuance.

Synonyms

- MBS Exchange
- MTEB
- MTEM

MBS Mortgage Loan

Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan.

Synonyms

- MBS Mortgage Loans

MBS Pool

MBS Security backed by MBS Mortgage Loans.

Synonyms

- MBS Pools
- MBS Pool's

Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

- Mortgage Loans
- Mortgage Loan's

P

P&I

Principal and interest



P&I Custodial Account Custodial Account for principal and interest deposits.

Synonyms

- P&I Custodial Accounts

Pass-Through Rate Mortgage Loan Gross Note Rate minus:
• for MBS Mortgage Loans, the Guaranty Fee, minus the Servicing Fee; and
• for Cash Mortgage Loans, the Servicing Fee.

R

REMIC Real Estate Mortgage Investment Conduit

S

Security MBS, PFP MBS, or REMIC.

Synonyms

- Securities