

Multifamily Selling and Servicing Guide

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TABLE OF CONTENTS

Part V Section 303 P&I Custodial Accounts	3
303.01 Accounts and Deposits	3
303.02 Withdrawals	3
GLOSSARY	5

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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.

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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).

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- Clear and close the account.
- Transfer any funds to 1 or more other Custodial Accounts per this Chapter.



Glossary

\mathbf{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

Effective: 11/04/2025

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
- MTFM

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.

Effective: 11/04/2025

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.

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R

REMIC Real Estate Mortgage Investment Conduit

S

Security MBS, PFP MBS, or REMIC.

Synonyms

Securities