Fannie Mae®

# Multifamily Selling and Servicing Guide

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# TABLE OF CONTENTS

Part V Section 303.01 Accounts and Deposits ..... 3
GLOSSARY ..... 4

## 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.

# Glossary

## B

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| Bonds | Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties.<br><br>**Synonyms**<br>• Bond |
| Borrower | Person who is the obligor per the Note.<br><br>**Synonyms**<br>• Borrowers<br>• Borrower's |

## C

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| Cash Mortgage Loan | Mortgage Loan purchased by Fannie Mae in exchange for cash.<br><br>**Synonyms**<br>• Cash Mortgage Loans |
| Credit Enhancement Instrument | Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility.<br><br>**Synonyms**<br>• Credit Enhancement Instruments |

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|---|---|
| Credit Enhancement Mortgage Loan | Mortgage Loan financed by a Bond issuance where Fannie Mae provides credit enhancement by<br>• a Credit Enhancement Instrument, or<br>• an MBS for Bonds.<br><br>**Synonyms**<br>• Credit Enhancement Mortgage Loans |
| Custodial Account | Account established by the Servicer for depositing P&I payments, T&I payments, and escrow, reserve, or other funds received from the Borrower per any Loan Document, including the:<br>• Collateral Agreement;<br>• Multifamily Loan Agreement; or<br>• Security Instrument.<br><br>**Synonyms**<br>• Custodial Accounts |

## D

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|---|---|
| Delinquency Advance | Your required advances for scheduled monthly Mortgage Loan principal and/or interest per<br>• your Lender Contract, or<br>• the Guide.<br><br>**Synonyms**<br>• Delinquency Advances |

## G

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| Guide | Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise.<br><br>**Synonyms**<br>• DUS Guide |

## M

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| MBS | Mortgage-Backed Security |
| MBS for Bonds | Fannie Mae MBS:<br>• issued to credit enhance tax-exempt Bonds; or<br>• exchanged for Bonds redeemed at MBS issuance.<br><br>**Synonyms**<br>• MBS Exchange<br>• MTEB<br>• MTEM |
| MBS Mortgage Loan | Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan.<br><br>**Synonyms**<br>• MBS Mortgage Loans |
| Mortgage Loan | Mortgage debt obligation evidenced, or when made will be evidenced, by<br>• the Loan Documents, or<br>• a mortgage debt obligation with a Fannie Mae credit enhancement.<br><br>**Synonyms**<br>• Mortgage Loans<br>• Mortgage Loan's |

# P

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| P&I | Principal and interest |
| P&I Custodial Account | Custodial Account for principal and interest deposits.<br><br>**Synonyms**<br>• P&I Custodial Accounts |

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| PFP Mortgage Loan | Mortgage Loan originally purchased as a Cash Mortgage Loan or held in Fannie Maes portfolio, but subsequently securitized as an MBS.<br><br>**Synonyms**<br>• PFP Mortgage Loans |
| Principal | Person who owns or controls, in the aggregate, directly or indirectly (together with that Person's Immediate Family Members, if an individual), specified interests in the Borrower per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors.<br><br>**Synonyms**<br>• Principals |

## R

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|---|---|
| REMIC | Real Estate Mortgage Investment Conduit |

## S

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|---|---|
| Securitized Mortgage Loan | Mortgage Loan backing an MBS, PFP MBS, or REMIC.<br><br>**Synonyms**<br>• Securitized Mortgage Loans |