



Multifamily Selling and Servicing Guide

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Section 602

Purchase Amount; Accrued or Prepaid Interest

The purchase amount to be paid by Fannie Mae for a Mortgage Loan will be based on the price (expressed as a percentage) that is stated in the Commitment multiplied by the UPB of the Mortgage Loan at the time of purchase, adjusted as described below.

If accrued or prepaid interest is due for the month in which Fannie Mae purchases the Mortgage Loan, Fannie Mae will adjust the purchase amount by adding any accrued interest, or deducting any prepaid interest, as necessary to reflect the Lender's and Fannie Mae's respective shares of such items, as follows:

- For MBS Mortgage Loans, accrued interest is due to the Lender from the Mortgage Loan Origination Date to, but not including, the Book-Entry Date of the MBS (if the Book-Entry Date occurs on the first day of the month, no accrued interest is due to the Lender).
- For Cash Mortgage Loans, if Fannie Mae purchases the Mortgage Loan in a month other than the month in which the Mortgage Loan Origination Date occurs, accrued interest is due to the Lender for the period from the Mortgage Loan Origination Date to, but not including, the date of Fannie Mae's purchase.
- For Cash Mortgage Loans, if Fannie Mae purchases the Mortgage Loan during the month in which the Mortgage Loan Origination Date occurs and the Borrower has prepaid interest on the Mortgage Loan through the end of that month, prepaid interest is subtracted from the Lender's purchase proceeds for the period from and including the date of Fannie Mae's purchase to the end of month.



Glossary

B

Book-Entry Date Calendar date a Security is delivered by Fannie Mae via the Federal Reserve book-entry system to the applicable Investor's designated book-entry account at a depository institution.

Synonyms

- Book-Entry Delivery Date
- Settlement Date

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

C

Commitment Contractual agreement between Fannie Mae and the Lender where Fannie Mae agrees to buy a Mortgage Loan from the Lender at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and the Lender agrees to Deliver that Mortgage Loan to Fannie Mae.

Synonyms

- Committed
- Commitments

L

Lender Person approved by Fannie Mae to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's



M

MBS

Mortgage-Backed Security

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
Origination Date

Date the Lender funds a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

U

UPB

Unpaid Principal Balance