



Multifamily Selling and Servicing Guide

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Section 604 Disclosure for MBS Mortgage Loans

MBS Investors rely on information in the disclosure when determining whether to purchase an MBS. Accordingly, it is very important that all information in the disclosure be complete and accurate. The standard disclosure Fannie Mae uses at MBS issuance includes the Multifamily MBS Prospectus and Annex A.

604.01 Multifamily MBS Base Prospectus

The Multifamily MBS Base Prospectus is the basic disclosure document that contains information of interest to Investors, including:

- a general description of Fannie Mae's multifamily mortgage business;
- disclosure of general risk factors related to the MBS;
- the types of multifamily mortgage loans that Fannie Mae securitizes; and
- the types of properties that secure multifamily mortgage loans.

Fannie Mae's Multifamily MBS Base Prospectus is updated from time to time; the current version is available at www.fanniemae.com/multifamily.

604.02 Prospectus Supplement (Prior to December, 2017)

For MBS issued prior to December, 2017, a Prospectus Supplement was prepared by Fannie Mae prior to the issuance of each MBS to supplement the general information in the Multifamily MBS Base Prospectus with information specific to the Mortgage Loan comprising the MBS Pool. The Prospectus Supplement has 2 parts:

- The Prospectus Supplement Narrative (standard) is a transaction-specific disclosure document that describes in more detail the terms and structure of the Mortgage Loan.
- The Schedule of Pool and Loan Information consists of "Pool Statistics," providing pool-level disclosure data, and the "Multifamily Schedule of Loan Information," providing specific disclosure data for the Mortgage Loan and the Property or Properties securing the Mortgage Loan.

The Prospectus Supplement is posted on www.fanniemae.com/multifamily.



604.03 Additional Disclosure

For MBS issued after December, 2017, Mortgage Loans with characteristics or terms that differ from the standard characteristics described in the Multifamily MBS Prospectus and the Annex A may require transaction-specific information to be added to the standard disclosure documents through a process called “Additional Disclosure.” See the Additional Disclosure Guidance ([Form 4098](#)) for guidance on matters that may require Additional Disclosure.

The Lender must disclose any Additional Disclosure features to the MBS Investor prior to entering into the Rate Lock (see Required Practices in [Part IV A, Chapter 3: Committing, Section 302: Requirements for Rate Lock and Commitment](#)) as these features may affect the performance assumptions and risk factors associated with the MBS.

When the Lender marks a Mortgage Loan for Additional Disclosure in C&D, Fannie Mae reviews the Loan Documents to determine whether Additional Disclosure is required. In some cases, Fannie Mae may determine that Additional Disclosure is not required and that the standard Prospectus and Annex A are sufficient. In other cases, Fannie Mae may determine that Additional Disclosure is required, either through:

- an Addendum to the Multifamily MBS Prospectus; or
- a footnote on Annex A.

604.04 Lender Disclosure Obligations

The Multifamily MBS Prospectus and Annex A are posted on www.fanniemae.com/multifamily at least 2 Business Days before the MBS Book-Entry Date. The Lender must promptly review the Multifamily MBS Prospectus (and, for Additional Disclosure, any Addendum to the Prospectus and/or footnote to Annex A) and must notify Fannie Mae before the Book-Entry Date of any inaccuracies. Fannie Mae reserves the right to require the Lender to certify to the completeness of any Prospectus that Fannie Mae issues for an MBS Pool. The Lender must comply with all applicable federal and state securities laws and with the rules and guidelines of the Securities Industry and Financial Markets Association, including the requirements for the delivery of disclosure documents in connection with the sale or redelivery of an MBS.



Glossary

A

Additional Disclosure Part of the disclosure package published by Fannie Mae when issuing an MBS.

Synonyms

- Special Disclosure

Additional Disclosure Guidance Fannie Mae Multifamily Additional Disclosure Guidance ([Form 4098](#)) listing common loan characteristics that may require Additional Disclosure.

Synonyms

- Special Disclosure Guidance

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

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

Loan Documents All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

Synonyms

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

M

MBS Mortgage-Backed Security

MBS Investor For MBS Mortgage Loans, either a Third Party MBS Investor for Lender-Arranged Sales, or the Multifamily Trading Desk.

MBS Pool MBS Security backed by MBS Mortgage Loans.

Synonyms

- MBS Pools

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

P



Property Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms

- Properties
- Property's

Prospectus Supplement Part of the disclosure package published by Fannie Mae when issuing an MBS.

Synonyms

- Prospectus Supplement Narrative

R

Rate Lock Agreement between the Lender and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

Synonyms

- Rate Locks

Required Practices Required practices for committing and delivering Mortgage Loans.

S

Schedule of Loan Information Part of the disclosure package published by Fannie Mae for the issuance of an MBS.

Schedule of Pool and Loan Information Part of the disclosure package published by Fannie Mae for the issuance of an MBS.