



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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TABLE OF CONTENTS

| | |
|--|---|
| Part V Section 301.04 Servicer Liability | 3 |
| 301.04A Responsibility of Servicer | 3 |
| 301.04B Servicer Liable for Losses | 3 |
| 301.04C No Reimbursement for Losses | 3 |
| 301.04D Overdrafts Not Permitted | 3 |
| GLOSSARY | 4 |



301.04 Servicer Liability

301.04A Responsibility of Servicer

The Servicer is responsible for the safekeeping at all times of the deposits held in Custodial Accounts. The Servicer must establish appropriate methods for monitoring the financial viability of the depositories that hold custodial funds.

301.04B Servicer Liable for Losses

Fannie Mae will hold the Servicer liable for all losses of funds deposited in Custodial Accounts, including any damages Fannie Mae suffers because of delays in obtaining such funds, regardless of whether the Servicer has complied with the requirements of the Guide.

301.04C No Reimbursement for Losses

Any losses incurred by the Servicer will not be reimbursed by Fannie Mae nor permitted to be applied by the Lender in the calculation of any Mortgage Loan loss claim.

301.04D Overdrafts Not Permitted

A Custodial Account must not be overdrawn at any time. If an overdraft occurs, the Servicer must immediately advance the Servicer's own funds to cure the overdraft.



Glossary

C

Custodial Account Accounts established by the Servicer for depositing P&I payments, T&I funds, Collateral Agreement deposits, and other similar funds.

Synonyms

- Custodial Accounts

G

Guide Multifamily Selling and Servicing Guide and Delegated Underwriting and Servicing Guide, including any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented by any lender memo; provided, however, if a topic is covered in the Multifamily Selling and Servicing Guide, that Guide shall control unless a Lender Contract specifically requires use of another Guide.

Synonyms

- DUS Guide

L

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

Synonyms

- Lenders
- Lender's

M



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

S

Servicer

Primary Person responsible for servicing the Mortgage Loan (e.g., the originator, the selling Lender, or a third-party servicer).

Synonyms

- Servicers