



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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Section 302 Establishment of Custodial Accounts

302.01 Notification Requirements

302.01A Establishment of a Custodial Account

Whenever the Servicer establishes a Custodial Account, the Servicer and the depository institution maintaining such account must execute the following forms, as applicable:

- a Letter of Authorization for Multifamily P&I Custodial Account ([Form 2050](#));
- a Letter of Authorization for Multifamily T&I Custodial Account ([Form 2052](#)); or
- a Letter of Authorization for Multifamily Collateral Agreement Custodial Account ([Form 2051](#)).

The executed form should be sent to:

Fannie Mae
ATTN: Multifamily Lender Oversight
1100 15th Street, NW
Washington, DC 20005.

302.01B Changes to a Custodial Account

The Servicer and the depository institution must execute and forward the appropriate [Form 2050](#), [Form 2051](#), or [Form 2052](#) to Fannie Mae, within 30 days after the event, if it:

- changes the Eligible Depository for any Custodial Account (note that the Servicer must provide Fannie Mae with a new Letter of Authorization for any Custodial Account moved to a different Eligible Depository); or
- changes account information on an existing Custodial Account.

302.01C Termination of a Custodial Account

The Servicer must execute and forward the appropriate [Form 2050](#), [Form 2051](#), or [Form 2052](#) to Fannie Mae, within 30 days after it closes or ceases to use any Custodial Account for which an executed Letter of Authorization is on file with Fannie Mae.

302.02 Titling of Custodial Accounts



The Servicer must send Fannie Mae the account title of each Custodial Account at the time the Custodial Account is established or changed. A copy of a signature card, bank statement, or system generated screen print must be submitted with the appropriate Letter of Authorization (see Part V, Chapter 3: Custodial Account Requirements, Section 302.01A: Establishment of a Custodial Account). Custodial Accounts must be titled as follows:

Custodial Account Type	Required Title
P&I Accounts	[Name of Servicer], as agent, trustee, and/or bailee for Fannie Mae and/or payments of various mortgagors and/or various owners of interests in mortgage-backed securities (Custodial Account)
T&I Accounts	[Name of Servicer], as agent, trustee, and/or bailee for Fannie Mae and/or payments of various mortgagors and/or various owners of interests in mortgage-backed securities (Custodial Account)
Collateral Agreement Accounts	[Name of Servicer], as agent, trustee, and/or bailee for Fannie Mae and/or payments of various mortgagors and/or various owners of interests in mortgage-backed securities (Custodial Account)

302.03 Daily Cutoff

The Servicer must establish a reasonable daily cutoff of its work to ensure that collections are credited to the appropriate Custodial Account no later than the Business Day following receipt of such collections.



Glossary

B

Business Day	<p>Any day other than a</p> <ul style="list-style-type: none">• Saturday,• Sunday,• day on which Fannie Mae is closed,• day on which the Federal Reserve Bank of New York is closed, or• for any MBS and any required withdrawal for remittance thereunder, a day on which the Federal Reserve Bank is closed in the district where any funds are held for the MBS. <p>Synonyms</p> <ul style="list-style-type: none">• Business Days
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C

Collateral Agreement	<p>Agreement under which collateral (other than the Property) may be pledged, transferred, or otherwise provided to secure the Borrower's obligations under a Mortgage Loan.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Collateral Agreements
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Custodial Account	<p>Accounts established by the Servicer for depositing P&I payments, T&I funds, Collateral Agreement deposits, and other similar funds.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Custodial Accounts
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E



Eligible Depository

Any Federal Reserve Bank, Federal Home Loan Bank, or other depository institution that:

1. has its accounts insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or such other governmental insurer or guarantor as may be acceptable to Fannie Mae;
2. is rated as “well capitalized” by its applicable federal or state regulator or, if not rated by a federal or state regulator, satisfies the capital requirements that would apply for categorization as “well capitalized” under federal or state regulations; and either
3. for any depository institution with assets of \$20 billion or more, has a financial rating that meets or exceeds only 1 of the following criteria if the institution is rated only by S&P or only by Moody’s, provided that if the institution is rated by both S&P and Moody’s, it must satisfy both subsections (a) and (b) below:
 - a. a short-term issuer rating by S&P of “A-2” and a long-term issuer rating of “BBB” by S&P;
 - b. a short-term bank deposit rating by Moody’s of “P-3” and a long-term bank deposit rating of “Baa2” by Moody’s; or
 - c. satisfies any other standard determined by Fannie Mae, provided that such other standard is comparable to the rating requirements set forth above; or
4. for any depository institution with assets of less than \$20 billion, has a financial rating that meets or exceeds at least 1 of the following criteria:
 - a. a short-term issuer rating by S&P of “A-2” and a long-term issuer rating of “BBB” by S&P;
 - b. a short-term bank deposit rating by Moody’s of “P-3” and a long-term bank deposit rating of “Baa2” by Moody’s;
 - c. a financial rating of 175 by IDC Financial Publishing, Inc., or its successor;
 - d. a financial rating of C+ by Kroll Bond Rating Agency, Inc., or its successor; or
 - e. satisfaction of any other standard determined by Fannie Mae, provided that such other standard is comparable to the rating requirements set forth above.

If a depository institution satisfies the standards in clauses 1 and 2 and has a rating that meets or exceeds at least 1 of the ratings specified in clause 3 or 4, as applicable, that depository institution will be considered an “Eligible Depository” even if another organization rates such depository institution below the minimum level specified in such clause.

L

Lender

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

Synonyms

- Lenders
- Lender's

P

P&I

Principal and interest



P&I Custodial Account

Custodial Account for principal and interest deposits.

Synonyms

- P&I Custodial Accounts

S

Servicer

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

Synonyms

- Servicers

T

T&I Custodial Account

Custodial Account for the deposit of T&I and other impound escrow funds.

Synonyms

- T&I Custodial Accounts