



Multifamily Selling and Servicing Guide

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Chapter 3 Committing

Section 301 General

This Chapter sets forth the requirements for obtaining a Rate Lock and Commitment for Mortgage Loans. Part IV B covers additional requirements for Mortgage Loans with certain special product features or executions.

Section 302 Requirements for Rate Lock and Commitment

302.01 Pre-Commitment Terms

Prior to obtaining a Rate Lock or a Commitment for a Mortgage Loan, the Lender must:

- register the Mortgage Loan in DUS Gateway, as required in [Part I, Chapter 2: Mortgage Loan, Section 201: Registration](#);
- underwrite the Mortgage Loan per Parts I, II, III; and
- obtain Fannie Mae approval as required for Guide waivers, pricing waivers, and Loan Document modifications.

The Lender may not request a Rate Lock or Commitment for a Pre-Review Mortgage Loan without the prior written consent of Fannie Mae as required in [Part I, Chapter 2: Mortgage Loan, Section 203: Pre-Review Mortgage Loans](#).

302.02 Borrower Commitment

Prior to obtaining a Rate Lock or a Commitment for a Mortgage Loan, the Lender and the Borrower must have entered into a legally binding Borrower Commitment that, at a minimum:

- requires that the Good Faith Deposit be deposited with the Lender pursuant to [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits](#);
- requires that the Borrower be liable to the Lender for all damages, obligations, and liabilities relating to a failed origination of the Mortgage Loan, in an amount at least equal to the Lender's liability to the Investor under the Rate Lock (for Multifamily Trading Desk trades (MBS or cash), the Minimum Good Faith Deposit serves as liquidated damages for a failed



Delivery);

- requires that the Mortgage Loan Origination Date be early enough for the Lender to deliver the Mortgage Loan by the Delivery Deadline; and
- describes the Prepayment Premium Option that will be included in the Loan Documents.

Fannie Mae will consider, on a case-by-case basis, specially negotiated Prepayment Premiums requested by the Lender. The Lender must receive written approval from the Fannie Mae Deal Team of any specially negotiated Prepayment Premiums prior to entering into the Borrower Commitment, the Rate Lock, or the Commitment. For MBS Mortgage Loans with negotiated Prepayment Premium provisions, Additional Disclosure is required.

302.03 Trading Agreements

For all MBS or cash trades with the Multifamily Trading Desk, the Required Practices set forth below and the terms of this Chapter shall constitute the “trading agreement” between the Lender and the Multifamily Trading Desk. By entering into an MBS or cash trade with the Multifamily Trading Desk, the Lender is deemed to have accepted and agreed to be bound by the Required Practices and the terms of the Guide.

The Lender may also sell the MBS to a Third Party MBS Investor or retain the MBS on its own balance sheet (either, a “Lender-Arranged Sale”). Prior to the Lender’s initial trade with a Third Party MBS Investor, the Lender must enter into a Third Party MBS Trading Agreement with, or have written procedures for trading practices approved by, such Third Party MBS Investor.

302.04 Required Practices for Committing and Delivering Mortgage Loans to Fannie Mae

To reduce the risk of failed Deliveries and, for MBS Mortgage Loans, to reduce errors in the disclosure documents, the Lender must comply with the Required Practices as well as with any additional requirements imposed by the Investor.

“Required Practices” means:

1. The Lender must establish an asset counterparty account with the Multifamily Trading Desk, designating the individuals authorized to transact business on the Lender’s behalf and providing an address and wiring instructions to be used for the Lender. The Lender must promptly notify the Multifamily Trading Desk of any changes that occur from time to time in the Lender’s authorized individuals or other account information.



2. Prior to the execution of the Rate Lock and trade, the Lender must have provided the Minimum Required Trade Information to all potential Investors from which the Lender has solicited investor interest or pricing information, using:

- [Form 4097.Fixed](#) – Multifamily Required Trade Information for Cash or MBS, for a fixed rate Mortgage Loan; or
- [Form 4097.ARM](#) – Multifamily Required Trade Information for Cash or MBS, for an ARM Loan, SARM Loan, or Hybrid ARM Loan.

The information provided to the potential Investors must ultimately match the corresponding information submitted to Fannie Mae by the Lender when delivering the Mortgage Loan. Any change in the terms of the Minimum Required Trade Information occurring after Rate Lock must be communicated to the Investor prior to Delivery of the Mortgage Loan to Fannie Mae.

3. For MBS Mortgage Loans, the Minimum Required Trade Information must include any Additional Disclosure items discussed in [Part IV A, Chapter 6: Purchase Procedures, Section 604: Disclosure for MBS Mortgage Loans](#) and specifically described in the Additional Disclosure Guidance ([Form 4098](#)).

4. The Lender must inform the Investor that Fannie Mae will accept the Mortgage Loan for purchase so long as the Delivered Mortgage Loan Amount is within the Delivery Tolerance set forth in [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General](#).

5. All trades will be governed, and in the event of a conflict will be controlled in the following order of priority, by the Rate Lock, the Third Party MBS Trading Agreement (if applicable), the provisions of this Part IV A, any applicable provisions of Part IV B, and the Lender Contract.

6. The Lender must comply with all applicable provisions of the Pricing Memo.

7. The Lender must collect the Good Faith Deposit from the Borrower as set forth in [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits](#).

8. The Rate Lock confirmation must include the Minimum Required Trade Information (including any Additional Disclosure items) and state the Settlement Date.

9. For any Rate Lock with the Multifamily Trading Desk, the Lender must be acting as a principal or, with Fannie Mae's prior written consent, as an agent for a disclosed principal.

10. The Lender may not assign a Rate Lock with the Multifamily Trading Desk without Fannie Mae's prior written consent.



11. Within 1 Business Day after obtaining the Rate Lock, the Lender must request a Commitment, as described in [Part IV A, Chapter 3: Committing, Section 305: Commitment Terms and Procedures](#).

12. For an MBS Mortgage Loan, any Additional Disclosure items must be specified in the request for a Commitment.

13. The Lender must promptly report any MBS Investor delivery contract disputes, including any failed Deliveries, to the Fannie Mae Representative.

For MBS Mortgage Loans, once the Security is delivered to the Investor, the Lender must direct all subsequent investor inquiries to the MBS Investor hotline at 1-800-BEST-MBS.

Section 303 Obtaining a Rate Lock

303.01 General

The Lender must obtain the Rate Lock for a Mortgage Loan prior to requesting a Commitment. For an MBS Mortgage Loan, the Rate Lock must identify any matters requiring Additional Disclosure.

The Rate Lock is a legally binding obligation by the Lender to make Delivery, by the Delivery Deadline, of a Mortgage Loan meeting the terms of the Rate Lock, the Commitment, and the Guide.

303.02 Rate Lock Periods

The available Rate Lock Periods and permitted Investors are set forth below:

RATE LOCK PERIOD	PERMITTED INVESTOR
Up to and including 180 days	<ul style="list-style-type: none">• Multifamily Trading Desk (MBS or cash); or• Third Party MBS Investor.
More than 180 days , with prior approval by the Fannie Mae Deal Team	<ul style="list-style-type: none">• Multifamily Trading Desk only (MBS or cash); or• Third Party MBS Investor with Fannie Mae consent.

After obtaining a Rate Lock, the Settlement Date may be extended as provided in [Part IV A, Chapter 3: Committing, Section 305.03: Commitment Modifications](#).

303.03 Rate Lock Amount



The Lender must determine the Rate Lock amount based on a full underwriting of the Mortgage Loan in accordance with the requirements of the Guide. The Rate Lock amount is the final Mortgage Loan amount, subject only to the Delivery Tolerance described in [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General](#).

303.04 Locking the Rate

Prior to obtaining the Rate Lock for a Mortgage Loan, the Lender must:

- determine the Guaranty Fee and the Servicing Fee pursuant to [Part IV A, Chapter 2: Pricing, Origination Fees, and Prepayment Premium Incentives](#); and
- comply with the Required Practices.

303.04A Lender-Arranged Sale to a Third Party MBS Investor

For a Lender-Arranged Sale to a Third Party MBS Investor, the Lender and the Third Party MBS Investor will negotiate the Pass-Through Rate, the purchase price, and any delivery or purchase conditions for the MBS. The agreed terms will be evidenced in the Rate Lock between the Lender and the Third Party MBS Investor.

303.04B Lender Sale to Fannie Mae as MBS Investor

For MBS trades with the Multifamily Trading Desk, the Lender will negotiate with the Multifamily Trading Desk the Pass-Through Rate, the purchase price, and any delivery or purchase conditions for the MBS. To obtain a quote, the Lender must call the Multifamily Trading Desk. Upon acceptance of the quote, the terms will be evidenced by a Rate Lock between the Lender and Fannie Mae. The Lender consents to the recording of all telephone conversations with the Multifamily Trading Desk and agrees that any Rate Lock made during such conversations is a legally binding obligation. Fannie Mae will send the Lender, by e-mail, a confirmation of the MBS trade with the Multifamily Trading Desk. The Lender must notify the Multifamily Trading Desk promptly if the Lender: (i) finds any errors in the confirmation; or (ii) has not received a confirmation within 2 Business Days after the MBS trade date. If there is a conflict between the recorded telephone conversation and the confirmation, the recorded conversation will prevail to establish the terms of the Multifamily Trading Desk MBS trade.

303.04C Lender Sale to Fannie Mae for Cash

To obtain a quote for a Cash Mortgage Loan, the Lender must call the Multifamily Trading Desk. If Fannie Mae agrees to purchase the Mortgage Loan for cash, the Multifamily Trading Desk will provide the Lender



with a Pass-Through Rate and the purchase price for the Mortgage Loan. The Lender consents to the recording of all telephone conversations with the Multifamily Trading Desk and agrees that a Rate Lock made during such conversations is a legally binding obligation.

303.05 Right to Decline Trades

The Multifamily Trading Desk may decline to participate in any trade. Fannie Mae reserves the right to terminate the Lender’s trading account and the Lender’s ability to use the services of the Multifamily Trading Desk at any time in Fannie Mae’s sole discretion. From time to time, particularly during periods of pronounced market volatility, Fannie Mae may find it necessary to stop entering into Rate Locks. Fannie Mae will attempt to provide advance notice of any such suspension of trades but reserves the right to stop entering into Rate Locks at any time without prior notice.

Section 304 Good Faith Deposits

304.01 Deposit Required

Before entering into a Rate Lock, the Lender must collect a Good Faith Deposit from the Borrower. The Good Faith Deposit may be in the form of either cash or a letter of credit conforming to the standards set forth in [Part IV A, Chapter 3: Committing, Section 304.04: Letters of Credit](#). For Choice Refinance Loans that involve trades with the Multifamily Trading Desk, the Lender may contact the Fannie Mae Deal Team to request the right to spread the lien of the existing Security Instrument to secure the Good Faith Deposit in lieu of cash or a letter of credit.

“Good Faith Deposit” means:

- the “Minimum Good Faith Deposit” required by [Part IV A, Chapter 3: Committing, Section 304.02: Minimum Good Faith Deposit](#); plus
- any additional deposit required by a Third Party MBS Investor; plus
- any other deposit required by the Lender.

304.02 Minimum Good Faith Deposit

The “Minimum Good Faith Deposit” will be determined based on the Rate Lock Period and the Rate Lock amount, as follows:

RATE LOCK PERIOD	MINIMUM GOOD FAITH DEPOSIT
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For a Mortgage Loan with a Rate Lock amount of \$6million or less that has a Rate Lock Period up to and including 90 days	1% of the Rate Lock amount
For a Mortgage Loan with a Rate Lock amount of greater than \$6million that has a Rate Lock Period up to and including 90 days	2% of the Rate Lock amount
For a Supplemental Mortgage Loan of any amount that has a Rate Lock Period up to and including 90 days	2% of the Rate Lock amount
For a Mortgage Loan or a Supplemental Mortgage Loan that has a Rate Lock Period of more than 90 days and up to and including 180 days	3% of the Rate Lock amount
For a Mortgage Loan that has a Rate Lock Period of more than 180 days , but only with prior approval by the Fannie Mae Deal Team	At least 3% of the Rate Lock amount (The Lender must contact the Fannie Mae Deal Team to obtain the actual amount of the Minimum Good Faith Deposit.)

For any Multifamily Trading Desk trade (MBS or cash) involving terms or parties outside the normal practices of the Multifamily Trading Desk, the Multifamily Trading Desk reserves the right, in its sole discretion, to increase the amount of the Minimum Good Faith Deposit.

For all Multifamily Trading Desk trades (MBS or cash), the Lender shall hold the Minimum Good Faith Deposit for the benefit of Fannie Mae. For all Lender-Arranged Sales, the Lender shall hold the Minimum Good Faith Deposit (and any additional deposit required by the Third Party MBS Investor) for the benefit of the Third Party MBS Investor or may deliver it to the Third Party MBS Investor as required by the Third Party MBS Trading Agreement.

Unless otherwise applied pursuant to the terms of [Part IV A, Chapter 5: Delivery Procedures – Documents, Section 501.05: Failure to Deliver: Return of Package](#), the Lender must refund the Good Faith Deposit to the Borrower no earlier than the Mortgage Loan Origination Date and within a commercially reasonable time after Fannie Mae purchases the Mortgage Loan, as provided in [Part IV A, Chapter 6: Purchase Procedures](#).



304.03 Breakage Fee for Failed Delivery

The Breakage Fee for a failed Delivery for a Lender-Arranged Sale shall be as provided in the Rate Lock and Third Party MBS Trading Agreement. The Breakage Fee for a failed Delivery for a Multifamily Trading Desk trade (MBS or cash) shall be equal to the Minimum Good Faith Deposit. If Fannie Mae has approved a Multifamily Trading Desk trade (MBS or cash) in excess of 180 days, the Multifamily Trading Desk will determine the Breakage Fee for a failed Delivery.

304.04 Letters of Credit

The Lender may allow the Borrower to fund all or a portion of the Good Faith Deposit by delivery of a letter of credit to the Lender. Should the Lender elect to accept a letter of credit:

1. the Lender remains solely liable and responsible to Fannie Mae for the Good Faith Deposit, and hereby indemnifies Fannie Mae for any loss or damages that may be incurred relating to a failed delivery; and
2. for Lender-Arranged Sales, the Lender should confirm whether the letter of credit is acceptable to the Third Party MBS Investor.

If the Lender accepts delivery of a letter of credit for all or a portion of the Good Faith Deposit, it is recommended that (a) the expiration date of the letter of credit extend 15 days beyond the later of the Settlement Date or the Commitment Expiration Date and (b) the letter of credit expiration date be extended if the Settlement Date or the Commitment Expiration Date is extended.

Section 305 Commitment Terms and Procedures

305.01 General Commitment Provisions

Each Commitment is issued for a single Mortgage Loan, but a Mortgage Loan may be secured by one or more Properties. Once a Commitment has been confirmed, the Property securing the Mortgage Loan must remain the same and may not be replaced by a substitute property. A Commitment is not assignable. Fannie Mae may reject any request for a Commitment or decline to confirm any Commitment.

305.01A Submission Guidance

The Lender must request a Commitment by 3:30 p.m. Eastern Time on the Business Day after the date the Rate Lock is executed. To obtain a Commitment, the Lender must complete the required fields in C&D and follow all instructions on the C&D screens, including inputting



information and comments as required by C&D and the C&D User Manual.

Once the Commitment information is “submitted” in C&D, it may be altered only if Fannie Mae believes that the terms of the Commitment request are not correct or valid. The Lender should contact Multifamily Acquisitions if there are issues submitting information into C&D. Multifamily Acquisitions will contact the Lender if any discrepancies are identified in the submissions.

305.01B MBS Submissions

MBS Mortgage Loans may have special characteristics that require the preparation and delivery of Additional Disclosure documents which must be identified at the time of the Commitment request. See the Additional Disclosure Guidance ([Form 4098](#)) for a list of such characteristics.

305.02 Confirmation of the Commitment

Upon satisfaction of all conditions set forth in the Guide and the Lender Contract, the submitted Commitment is eligible for confirmation. Following Fannie Mae’s confirmation of the Commitment, Fannie Mae and the Lender are legally bound in accordance with the terms of the Commitment. The Lender may use the Commitment to secure warehouse financing or otherwise conduct its business.

305.03 Commitment Modifications

305.03A Change Requests

After confirmation, if the Lender has made an error or believes that the Commitment is otherwise incorrect, the Lender must submit a data change request in C&D to request revisions. If the revised Commitment terms are acceptable to Fannie Mae, Fannie Mae will modify the Commitment and make the necessary changes to the Commitment data. Fannie Mae reserves the right to reject data changes and may, in its sole discretion, choose either to enforce the Commitment in accordance with the original terms or to terminate the Commitment. If a requested change involves changing the Gross Note Rate, the Lender must withdraw the Commitment and request a new Commitment. See the C&D User Manual for further details on “Change Requests.”

305.03B Rate Lock Extensions

1. For Multifamily Trading Desk Trades (MBS or cash): To extend the Settlement Date for any Mortgage Loan with an initial Rate Lock Period of 90 days or less, the Lender must notify the Multifamily Trading Desk. Upon the agreement of the Lender to pay the Rate Lock Extension Fee, the Settlement Date will be changed to a date that (a) has been agreed to by the



parties, and (b) is not more than 30 days after the original Settlement Date. The Lender must contact the Multifamily Trading Desk for approval of any Rate Lock extension, with any approval being subject to such additional fees as may be required, for:

- any Mortgage Loan with an initial Rate Lock Period of more than 90 days;
- an extension in excess of 30 days for any Mortgage Loan; or
- an extension for an additional period after the initial 30 day extension permitted above.

If any Rate Lock extension would cause the total Rate Lock Period to exceed 90 days, Fannie Mae reserves the right to increase the Minimum Good Faith Deposit. If any Rate Lock extension would cause the total Rate Lock Period to exceed 180 days, the Lender must also contact the Fannie Mae Deal Team for approval before seeking the extension (e.g., no extension is permitted for a Mortgage Loan with an initial Rate Lock Period in excess of 150 days without the approval of the Fannie Mae Deal Team).

2. For Lender-Arranged Sales: The Lender may negotiate an extension of the Settlement Date with the Third Party MBS Investor. Such extension may not exceed 30 days following the original Settlement Date and may not cause the total Rate Lock Period to exceed 180 days (e.g., no extension is permitted for a Mortgage Loan with an initial Rate Lock Period in excess of 150 days without the approval of the Fannie Mae Deal Team). Any approved extension request (a) may require adjustment to the locked interest rate, as determined by the Third Party MBS Investor; and (b) may require Lender to pay any fees charged by the Third Party MBS Investor.

The “Rate Lock Extension Fee,” for the purpose of this section, means a fee equal to:

(a) for a Multifamily Trading Desk trade (MBS or cash), an amount equal to 0.375% of the Rate Lock amount which amount may, at the discretion of Fannie Mae, be taken as a reduction in the purchase price of the Mortgage Loan; and

(b) for a Lender-Arranged Sale, any fee charged by the Third Party MBS Investor.

305.03C Commitment Extensions

If the Lender obtains an extension of the Settlement Date, the Lender must submit a request for an extension of the Commitment. To request such extension, the Lender must submit a data change request in C&D on or before the Commitment Expiration Date. For MBS Mortgage Loans, the Lender must also obtain any necessary approval from the MBS Investor of any change in the Book-Entry Date. Fannie Mae will make the



changes to the Lender's C&D Commitment submission to reflect the revised Commitment Expiration Date and, if applicable, the revised Book-Entry Date. If the change request involves a change to the Gross Note Rate, the Lender must withdraw the Commitment and request a new Commitment in accordance with the terms of this [Part IV A, Chapter 3: Committing, Section 305: Commitment Terms and Procedures](#).

Upon approval of the extension request, Fannie Mae will provide a revised Commitment Expiration Date.

Section 306 **ASAP Contracts**

306.01 **ASAP Options**

Certain Lenders have entered into one or more “Multifamily As Soon As Pooled Sale” agreements (commonly referred to as ASAP contracts) pursuant to which the Lender may close and fund ASAP eligible Mortgage Loans and deliver such Mortgage Loans to Fannie Mae for purchase earlier than is otherwise permitted under the Guide. This [Part IV A, Chapter 3: Committing, Section 306: ASAP Contracts](#) applies only to such Mortgage Loans.

The ASAP Sale and ASAP Plus (including ASAP Plus POC) purchase options (“ASAP Options”) allow the Lender to sell Mortgage Loans to Fannie Mae on an accelerated basis following the Mortgage Loan Origination Date. ASAP Sale is available for MBS Mortgage Loans only. ASAP Plus (including ASAP Plus POC) is available for both MBS Mortgage Loans and Cash Mortgage Loans.

To participate in the ASAP Options, the Lender must apply to Fannie Mae and be approved, as provided in [Part IV A, Chapter 3: Committing, Section 306.02: Lender Eligibility for ASAP Options](#). If approved, the Lender must execute:

- for ASAP Sale, an ASAP Sale Contract; or
- for ASAP Plus, an ASAP Plus Contract; or
- for ASAP Plus POC, an ASAP Plus Contract and an ASAP Plus POC Contract.

For MBS Mortgage Loans, in addition to an ASAP Plus Contract or an ASAP Plus POC Contract, the Lender must execute an ASAP Sale Contract. The Capital Markets Early Funding Desk will provide the applicable ASAP Contracts to the Lender for execution.

306.02 **Lender Eligibility for ASAP Options**

If the Lender is interested in any of the ASAP Options, the Lender must apply to the Fannie Mae Representative for approval to participate.



The Lender's eligibility to use any of the ASAP Options will be determined by Fannie Mae in its sole discretion. If Fannie Mae approves the Lender to use an ASAP Option, Fannie Mae will notify the Lender of such approval and of the maximum volume of participation available to the Lender under the approved ASAP Option.

If the Lender is approved to use an ASAP Option, Fannie Mae will review the Lender on a periodic basis to determine continued eligibility and the approved maximum volume. Notwithstanding any prior approval, Fannie Mae reserves the right to prohibit the Lender from delivering Mortgage Loans under the ASAP Options at any time and for any reason, including, but not limited to, the Lender's financial capacity or the performance of the Mortgage Loans the Lender has delivered to Fannie Mae under the ASAP Options.

Section 307

Choice Refinance Loans

The Lender may obtain a Rate Lock for a Choice Refinance Loan pursuant to the requirements of [Part III, Chapter 18: Choice Refinance Loans](#) up to 180 days prior to the Prepayment Premium Period End Date for the Portfolio Mortgage Loan being refinanced. The Lender must verify the Prepayment Premium Period End Date of the Portfolio Mortgage Loan prior to entering into the Rate Lock.

See [Part IV A, Chapter 3: Committing, Section 304.01: Deposit Required](#) for information on Good Faith Deposits for Choice Refinance Loans.



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

As Soon As Pooled Various purchase options permitting eligible Lenders to sell Mortgage Loans to Fannie Mae on an expedited basis pursuant to the applicable ASAP Contracts.

Synonyms

- ASAP

ASAP Options ASAP Sale and ASAP Plus (including ASAP Plus POC) purchase options per [Part IV A, Chapter 3: Committing, Section 306: ASAP Contracts](#).

Synonyms

- ASAP Option

ASAP Plus Purchase option where an eligible Lender can deliver individual Mortgage Loans to Fannie Mae on an accelerated basis using a 2-stage delivery structure before they are redelivered to Fannie Mae for purchase pursuant to the applicable ASAP Contract.



ASAP Plus Contract	Agreement between an eligible Lender and Fannie Mae containing the terms and conditions of an ASAP Plus transaction.
ASAP Plus POC	Purchase option where an eligible Lender can deliver individual Mortgage Loans to Fannie Mae on an accelerated basis using a 2-stage delivery structure and the issuance of a Payment Obligation Confirmation (as defined in the ASAP Plus POC Contract) before they are re-delivered to Fannie Mae for purchase pursuant to the applicable ASAP Contract.
ASAP Plus POC Contract	Agreement between an eligible Lender and Fannie Mae containing the terms and conditions of an ASAP Plus POC transaction.
ASAP Sale	Purchase option where an eligible Lender can deliver a Mortgage Loan to Fannie Mae and receive a cash payment for it, where the MBS from the Delivered Mortgage Loan is used to satisfy a trade with an MBS Investor.
ASAP Sale Contract	The contractual agreement between an eligible Lender and Fannie Mae containing the terms and conditions of an ASAP Sale transaction.

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.
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Synonyms

- Book-Entry Delivery Date
- Settlement Date



Borrower	Person who is the obligor under the Note. Synonyms <ul style="list-style-type: none">• Borrowers• Borrower's
Borrower Commitment	Lender's written commitment with the Borrower to originate a Mortgage Loan, and any separate written or oral rate lock agreements between the Lender and the Borrower to rate lock the Mortgage Loan.
Breakage Fee	Fee owed to Fannie Mae if you fail to Deliver an MBS at the Settlement Date.
Business Day	Any day other than a <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. Synonyms <ul style="list-style-type: none">• Business Days
C	
Capital Markets Early Funding Desk	Team that can be contacted for ASAP funding at (866) 944-3863 or early_funding@fanniemae.com .
Cash Mortgage Loan	Mortgage Loan purchased by Fannie Mae in exchange for cash. Synonyms <ul style="list-style-type: none">• Cash Mortgage Loans



Choice Refinance Loan Mortgage Loan refinancing a Portfolio Mortgage Loan using the streamlined underwriting requirement per [Part III, Chapter 18: Choice Refinance Loans](#).

Synonyms

- Choice Refinance Loans

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

Commitment Expiration Date Date when a Commitment expires.

D

Delivered Mortgage Loan Amount UPB of a Mortgage Loan when it is purchased by Fannie Mae.



Delivery Meeting all of the data delivery requirements in [Part IV A, Chapter 4: Delivery Procedures – Data](#), and submitting an acceptable Mortgage Loan Delivery Package per [Part IV A, Chapter 5: Delivery Procedures – Documents](#). A Mortgage Loan is “Delivered,” when all documents, data, and information are correct, accurate, and able to be certified by Fannie Mae, with all required documents properly completed, executed, and recorded (if applicable), and any deficiencies are resolved to Fannie Mae’s satisfaction.

Synonyms

- Deliver
- Delivered
- Deliveries

Delivery Deadline Per [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General for the Delivery of a Mortgage Loan for purchase](#).

Delivery Tolerance Per [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General for the Delivery of a Mortgage Loan for purchase](#).

DUS Gateway Multifamily pre-acquisition system including deal registration, Pre-Review and/or waiver tracking, decision records, or any successor systems.

F

Fannie Mae Deal Team Team responsible for reviewing Pre-Review Mortgage Loans, waivers, etc.

Synonyms

- Deal Team

Fannie Mae Representative Fannie Mae personnel who assist you with various business matters (e.g., Fannie Mae Deal Team, pricing, delivery, servicing, asset management, etc.).



G

Good Faith Deposit As defined in [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits](#).

Synonyms

- Good Faith Deposits

Gross Note Rate Interest rate stated in the Loan Documents.

Guaranty Fee Fee retained by Fannie Mae for credit enhancing a Mortgage Loan or assuming credit risk on a Mortgage Loan.

Synonyms

- Guaranty Fees

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

H

Hybrid ARM Loan Mortgage Loan with a total term of 30 years, comprised of an initial term when interest accrues at a fixed rate, and which automatically converts to a term where interest accrues at an adjustable rate.

Synonyms

- Hybrid ARM Loans

I



Investor MBS Investor for an MBS Mortgage Loan, or Fannie Mae for a Cash Mortgage Loan.

Synonyms

- Investors

L

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

Synonyms

- Lenders
- Lender's

Lender Contract Program Documents per the Mortgage Selling and Servicing Agreement.

Synonyms

- Lender's Contract
- Lender Contracts
- Contract
- MSSA

Lender-Arranged Sale MBS sold to the Lender and held on its balance sheet or delivered to a Third Party MBS Investor.

Synonyms

- Lender-Arranged Sales

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 Mortgage Loan	Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan. Synonyms <ul style="list-style-type: none">• MBS Mortgage Loans
Minimum Good Faith Deposit	Amount you are required to collect when originating a Mortgage Loan per Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits .
Minimum Required Trade Information	Mortgage Loan, Security, and Property information that must be disclosed to any potential Investor when rate locking a Mortgage Loan, using either: <ul style="list-style-type: none">• Form 4097.Fixed – Multifamily Required Trade Information for Cash or MBS, for a fixed Rate Mortgage Loan; or• Form 4097.ARM – Multifamily Required Trade Information for Cash or MBS, for an ARM Loan, SARM Loan, or Hybrid ARM Loan.
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 <ul style="list-style-type: none">• Mortgage Loans
Mortgage Loan Origination Date	Date the Lender funds a Mortgage Loan to the Borrower. Synonyms <ul style="list-style-type: none">• Mortgage Loan's Origination Date• Origination Date



Multifamily Acquisitions

Team that can be contacted at mf_acquisitions@fanniemae.com.

Multifamily Trading Desk

Team that quotes interest rate pricing for a Mortgage Loan and can be contacted at (888) 889-1118.

P

Pass-Through Rate

Gross Note Rate of the underlying Mortgage Loan, less the Guaranty Fee, less the Servicing Fee.

Portfolio Mortgage Loan

Mortgage Loan that was purchased by Fannie Mae and is held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan.

Synonyms

- Portfolio Mortgage Loans

Pre-Review Mortgage Loan

Mortgage Loan that is not delegated to the Lender and requires Fannie Mae's approval before Rate Lock.

Prepayment Premium

When a Mortgage Loan prepayment is made, amount required to be paid by the Borrower in addition to the principal amount being prepaid and accrued interest per the related Loan Documents.

Synonyms

- Prepayment Premiums

Prepayment Premium Option

Applicable [Form 6104 series](#) schedule to the Loan Agreement.

Prepayment Premium Period End Date

Last date on which a Borrower owes a Prepayment Premium for a voluntary Mortgage Loan prepayment.



Pricing Memo Applicable DUS Pricing Memo or non-DUS Pricing Memo communicating pricing for various products and features to Lenders.

Synonyms

- Pricing Memos

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

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

Rate Lock Period Time from Rate Lock execution through the Settlement Date.

Required Practices Required practices for committing and delivering Mortgage Loans.

S

Security MBS, PFP MBS, or REMIC.



Security Instrument Instrument creating a lien or encumbrance on 1 or more Properties and securing the obligations under the Loan Documents.

Servicing Fee Fee a Servicer receives for collecting payments, managing operational procedures, and assuming Lender's portion of credit risk for a Mortgage Loan.

Synonyms

- Servicing Fees

Supplemental Mortgage Loan Mortgage Loan purchased by Fannie Mae that is subordinated to, and has a Mortgage Loan Origination Date after, the Senior Mortgage Loan that is also owned by Fannie Mae.

Synonyms

- Supplemental Mortgage Loans

T

Third Party MBS Investor MBS Investor for an MBS Mortgage Loan that is not the Multifamily Trading Desk.

Third Party MBS Trading Agreement Arrangement between the Lender and a Third Party MBS Investor to trade MBS per [Part IV A, Chapter 3: Committing, Section 302: Requirements for Rate Lock and Commitment](#).