



Multifamily Selling and Servicing Guide

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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.



Glossary

A

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

Synonyms

- Special Disclosure

B

Borrower Person who is the obligor under the Note.

Synonyms

- 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.

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

D



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](#).

F

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

Synonyms

- Deal Team

G

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

Synonyms

- Good Faith Deposits

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

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

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](#).

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

Multifamily Trading
Desk

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

P

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.

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