



Multifamily Selling and Servicing Guide

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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.



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

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

Business Day Any day other than a

- 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

- Business Days

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

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

F



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

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

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

- MBS Mortgage Loans

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:

- [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

- Mortgage Loans



Multifamily Trading Desk

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

P

Pricing Memo

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

Synonyms

- Pricing Memos

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

Security

MBS, PFP MBS, or REMIC.

T

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](#).