



Multifamily Selling and Servicing Guide

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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.



Glossary

A

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

Synonyms

- Special Disclosure

C

Cash Mortgage Loan Mortgage Loan purchased by Fannie Mae in exchange for cash.

Synonyms

- Cash Mortgage 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

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](#).

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

Synonyms

- Deal Team

G

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

L

Lender

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

Synonyms

- Lenders
- Lender's

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

M

MBS

Mortgage-Backed Security

MBS Mortgage Loan

Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan.

Synonyms

- MBS Mortgage Loans



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

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

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

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



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

T

Third Party MBS Investor

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