



# Multifamily Selling and Servicing Guide

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### **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.



# Glossary

## C

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

**Synonyms**

- Cash Mortgage Loans

## 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

## 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



**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.