



# Multifamily Selling and Servicing Guide

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### **303.04** Use as a Clearing Account Not Permitted

The Servicer may not use any P&I Custodial Account as a Clearing Account. The Servicer must establish a separate account in an Eligible Depository for this purpose.



# Glossary

## C

### Clearing Account

Lender account at an Eligible Depository used either for

- receiving funds for various loans and for the benefit of multiple investors, and from which segregated funds are transferred to specific Custodial Accounts held solely for the benefit of Fannie Mae, or
- disbursing funds after transfer from a Fannie Mae Custodial Account.

#### **Synonyms**

- Clearing Accounts

## E



## Eligible Depository

Any Federal Reserve Bank, Federal Home Loan Bank, or other depository institution that:

1. has its accounts insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or such other governmental insurer or guarantor as may be acceptable to Fannie Mae;
  2. is rated as “well capitalized” by its applicable federal or state regulator or, if not rated by a federal or state regulator, satisfies the capital requirements that would apply for categorization as “well capitalized” under federal or state regulations; and either
  3. for any depository institution with assets of \$20 billion or more, has a financial rating that meets or exceeds only 1 of the following criteria if the institution is rated only by S&P or only by Moody’s, provided that if the institution is rated by both S&P and Moody’s, it must satisfy both subsections (a) and (b) below:
    - a. a short-term issuer rating by S&P of “A-2” and a long-term issuer rating of “BBB” by S&P;
    - b. a short-term bank deposit rating by Moody’s of “P-3” and a long-term bank deposit rating of “Baa2” by Moody’s; or
    - c. satisfies any other standard determined by Fannie Mae, provided that such other standard is comparable to the rating requirements set forth above; or
  4. for any depository institution with assets of less than \$20 billion, has a financial rating that meets or exceeds at least 1 of the following criteria:
    - a. a short-term issuer rating by S&P of “A-2” and a long-term issuer rating of “BBB” by S&P;
    - b. a short-term bank deposit rating by Moody’s of “P-3” and a long-term bank deposit rating of “Baa2” by Moody’s;
    - c. a financial rating of 175 by IDC Financial Publishing, Inc., or its successor;
    - d. a financial rating of C+ by Kroll Bond Rating Agency, Inc., or its successor; or
    - e. satisfaction of any other standard determined by Fannie Mae, provided that such other standard is comparable to the rating requirements set forth above.
- If a depository institution satisfies the standards in clauses 1 and 2 and has a rating that meets or exceeds at least 1 of the ratings specified in clause 3 or 4, as applicable, that depository institution will be considered an “Eligible Depository” even if another organization rates such depository institution below the minimum level specified in such clause.

## P

### P&I Custodial Account

Custodial Account for principal and interest deposits.

#### **Synonyms**

- P&I Custodial Accounts

## S

### Servicer

Primary Person responsible for servicing the Mortgage Loan (e.g., the originator, the selling Lender, or a third-party servicer).

#### **Synonyms**

- Servicers