



# Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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### **304.03** Breakage Fee for Failed Delivery

The Breakage Fee for a failed Delivery for a Lender-Arranged Sale shall be as provided in the Rate Lock and Third Party MBS Trading Agreement. The Breakage Fee for a failed Delivery for a Multifamily Trading Desk trade (MBS or cash) shall be equal to the Minimum Good Faith Deposit. If Fannie Mae has approved a Multifamily Trading Desk trade (MBS or cash) in excess of 180 days, the Multifamily Trading Desk will determine the Breakage Fee for a failed Delivery.



## Glossary

### B

**Breakage Fee** Fee owed to Fannie Mae if you fail to Deliver an MBS at the Settlement Date.

### 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

### L

**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

**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](#).



Multifamily Trading Desk

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

## 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

## 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](#).