



# Multifamily Selling and Servicing Guide

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## **Section 307**      Clearing Accounts

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### **307.01**      Clearing Accounts Permitted

If deposits and disbursements cannot be made directly to or from the Custodial Accounts, the Servicer may use a Clearing Account. When a Clearing Account is used, a separate account must be established for collections and disbursements.

### **307.02**      Custodial Account Requirements Applicable to Clearing Accounts

Any Clearing Account used by the Servicer for the deposit and transfer of funds collected in connection with a Mortgage Loan must be established at an Eligible Depository. The titles of the accounts must reflect that they are custodial in nature and the depository in which the accounts are maintained must be informed in writing that they are Custodial Accounts. While a Clearing Account is not required to be titled in Fannie Mae's name, the Servicer's records must clearly identify Fannie Mae's interest in any funds deposited in a Clearing Account.

### **307.03**      Clearing Account Activity Guidelines

Clearing Account activity must follow the guidelines set forth below.

#### **307.03A**      Timing for Crediting to Custodial Account

Collections deposited to the Clearing Account must be credited to the applicable Custodial Account by the first Business Day after the Servicer receives them unless transfer of funds occurs via ACH, in which case an additional Business Day is permitted to complete the transfer. Fannie Mae's allowance of this additional day to deposit funds into the Custodial Account does not extend the date by which the Servicer must remit funds to Fannie Mae.

#### **307.03B**      Debit and Credit Memos Permitted

Debit and credit memos may be used to transfer funds between the Clearing Account and the Custodial Account.

#### **307.03C**      Using Checks

Checks that transfer funds from a Custodial Account (other than a P&I Custodial Account) to a disbursement Clearing Account must be deposited to the disbursement Clearing Account concurrent with, or prior to, the issuance of any check drawn on the Clearing Account.



**307.03D** Insufficient Funds Checks

Checks returned for "insufficient funds" may be netted against another day's collections, or a check may be drawn on the Custodial Account to reimburse the Clearing Account.

**307.03E** Records and Audit Trails

Adequate records and audit trails must be maintained to support all credits to, and charges from, the Borrower's payment records and the Clearing Accounts.



# Glossary

## 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

**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



## Custodial Account

Accounts established by the Servicer for depositing P&I payments, T&I funds, Collateral Agreement deposits, and other similar funds.

### **Synonyms**

- Custodial 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.

## M

### 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

## 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