



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part V Section 307.02 Custodial Account Requirements Applicable to Clearing Accounts	3
GLOSSARY	4



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.



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.

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

S



Servicer

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

Synonyms

- Servicers