



# Multifamily Selling and Servicing Guide

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## Section 308 Drafting Accounts

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### 308.01 Establishing Drafting Accounts

To simplify the transfer of funds to Fannie Mae, the Servicer may use Drafting Accounts. Any Drafting Account must be established at an Eligible Depository, and the title of the Drafting Account must reflect that it is custodial in nature. The depository must be given written notification that the Drafting Account is a Custodial Account established for the benefit of Fannie Mae.

### 308.02 Consolidated Custodial Account

A Letter of Authorization ([Form 2050](#)) must be submitted to Fannie Mae when establishing a consolidated Custodial Account for drafting purposes.

#### 308.02A Distinct Custodial Accounts for Securitized Mortgage Loans (Other Than PFP MBS)

Separate consolidated Custodial Accounts must be used for drafting P&I remittances for Securitized Mortgage Loans (other than PFP MBS), and other separate consolidated Custodial Accounts must be used for remittances for all other products and executions.

#### 308.02B Timely Remittance

If the Servicer establishes one or more consolidated Custodial Accounts for drafting funds to Fannie Mae, the Servicer must move all funds due Fannie Mae into the consolidated Custodial Account in time to meet Fannie Mae's remittance requirements.

#### 308.02C Commingling of P&I Funds Permitted for Cash Executions

A Servicer that services multiple Multifamily Mortgage Business products and executions for Cash Mortgage Loans may commingle temporarily P&I funds for all such products and executions under its master five-digit Servicer number into one Drafting Account that has been designated as a consolidated Drafting Account for such Cash Mortgage Loans.

#### 308.02D Commingling of P&I Funds Permitted for Securitized Mortgage Loans

A Servicer that services multiple Multifamily Mortgage Business products and executions for Securitized Mortgage Loans may commingle



temporarily P&I funds for all such products and executions under its master five-digit Servicer number into one Drafting Account that has been designated as a consolidated Drafting Account for such Securitized Mortgage Loans.

**308.02E** Separate Accounts for P&I Funds Permitted

The Servicer may designate one Drafting Account for P&I funds for each product and execution that the Servicer services under each of its nine-digit Servicer numbers.

**308.02F** Corporate/General Lender Accounts Not Permitted

The Servicer's corporate, general ledger, or other internal operating account may not be designated as a Drafting Account.

**308.02G** Timing of Commingling

When the Servicer commingles funds, the funds must not be commingled earlier than the Business Day preceding the Business Day on which the funds are to be drafted.

**308.02H** Election of Cash Remittance System or Automated Drafting System Required

The Servicer must use either the Cash Remittance System or the Automated Drafting System (the system used for remittances related to Securitized Mortgage Loans). When the Servicer establishes a consolidated Custodial Account for the Cash Remittance System, the Servicer cannot establish a separate consolidated Custodial Account under the Automated Drafting System.

**308.02I** Required Records

The Servicer must maintain records on an individual Mortgage Loan level basis regarding the sources of the commingled funds.



## Glossary

### A

**Automated Drafting System** System used for processing remittances to Fannie Mae.

### B

**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

**Cash Remittance System** Multifamily web application allowing a Lender to enter the amounts to be drafted from its bank accounts via ACH for monthly remittances due to Fannie Mae, or any such successor system.

**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

### D



## Drafting Account

Custodial Account established by the Lender for the benefit of Fannie Mae and for which Fannie Mae has authority to transfer funds.

### **Synonyms**

- Drafting Accounts

## **E**



Eligible Depository	<p>Any Federal Reserve Bank, Federal Home Loan Bank, or other depository institution that:</p> <ol style="list-style-type: none"><li>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;</li><li>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</li><li>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&amp;P or only by Moody’s, provided that if the institution is rated by both S&amp;P and Moody’s, it must satisfy both subsections (a) and (b) below:<ol style="list-style-type: none"><li>a. a short-term issuer rating by S&amp;P of “A-2” and a long-term issuer rating of “BBB” by S&amp;P;</li><li>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</li><li>c. satisfies any other standard determined by Fannie Mae, provided that such other standard is comparable to the rating requirements set forth above; or</li></ol></li><li>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:<ol style="list-style-type: none"><li>a. a short-term issuer rating by S&amp;P of “A-2” and a long-term issuer rating of “BBB” by S&amp;P;</li><li>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;</li><li>c. a financial rating of 175 by IDC Financial Publishing, Inc., or its successor;</li><li>d. a financial rating of C+ by Kroll Bond Rating Agency, Inc., or its successor; or</li><li>e. satisfaction of any other standard determined by Fannie Mae, provided that such other standard is comparable to the rating requirements set forth above.</li></ol></li></ol> <p>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>
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## 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.
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### Synonyms

- Mortgage Loans

## P

P&I	Principal and interest
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PFP MBS	MBS backed by a PFP Mortgage Loan.
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## S

### Servicer

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

#### **Synonyms**

- Servicers