



Multifamily Selling and Servicing Guide

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401.04 Requirements for Mortgage Loan Purchase

A Mortgage Loan will be considered acceptable for purchase by Fannie Mae if:

- the Mortgage Loan complies with the terms of the Lender Contract;
- the Mortgage Loan is in the Pricing and Underwriting Tier required under the Commitment;
- for a Pre-Review Mortgage Loan, the Mortgage Loan complies with the requirements for Pre-Review Mortgage Loans as set forth in [Part I, Chapter 2: Mortgage Loan](#) and the Pricing Memo;
- the Mortgage Loan is current in payment at the time of Delivery;
- for all MBS Mortgage Loans:
 - the Book-Entry Date is prior to the first scheduled monthly payment date of the Mortgage Loan; and
 - the first monthly payment to the MBS Investor is the first monthly payment due under the Mortgage Loan; and
- the Delivered Mortgage Loan Amount is within the Delivery Tolerance, where “Delivery Tolerance” means an amount equal to the Commitment Amount plus or minus (i) 5 percentage points of the Commitment Amount (e.g., the Delivered Mortgage Loan Amount must be at least 95% and not more than 105% of the Commitment Amount to be within the Delivery Tolerance), or (ii) such lesser percentage needed to meet any Third Party MBS Investor delivery requirement (e.g., if a Third Party MBS Investor permits only a plus or minus 3 percentage points delivery tolerance, then the Mortgage Loan will be considered for purchase with a Delivered Mortgage Loan Amount of at least 97% and not more than 103% of the Commitment Amount).



Glossary

B

Book-Entry Date Calendar date a Security is delivered by Fannie Mae via the Federal Reserve book-entry system to the applicable Investor's designated book-entry account at a depository institution.

Synonyms

- Book-Entry Delivery Date
- Settlement Date

C

Commitment Contractual agreement between Fannie Mae and the Lender where Fannie Mae agrees to buy a Mortgage Loan from the Lender at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and the Lender agrees to Deliver that Mortgage Loan to Fannie Mae.

Synonyms

- Committed
- Commitments

Commitment Amount Anticipated Mortgage Loan amount per the Commitment.

D

Delivered Mortgage Loan Amount UPB of a Mortgage Loan when it is purchased by Fannie Mae.



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

Delivery Tolerance Per [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General for the Delivery of a Mortgage Loan for purchase](#).

L

Lender Contract Program Documents per the Mortgage Selling and Servicing Agreement.

Synonyms

- Lender’s Contract
- Lender Contracts
- Contract
- MSSA

M

MBS Mortgage-Backed Security

MBS Investor For MBS Mortgage Loans, either a Third Party MBS Investor for Lender-Arranged Sales, or the Multifamily Trading Desk.



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

Pre-Review Mortgage Loan

Mortgage Loan that is not delegated to the Lender and requires Fannie Mae's approval before Rate Lock.

Pricing and Underwriting Tier

Tier 1, Tier 2, Tier 3, or Tier 4 per the Multifamily Underwriting Standards (Form 4660).

Pricing Memo

Applicable DUS Pricing Memo or non-DUS Pricing Memo communicating pricing for various products and features to Lenders.

Synonyms

- Pricing Memos

T

Third Party MBS Investor

MBS Investor for an MBS Mortgage Loan that is not the Multifamily Trading Desk.