



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of August 30, 2021

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418.02 Compliance Issues Relative to Bond Credit Enhancement Transactions

The Servicer must monitor the Interest Reserve Requirement, if any, under the Bond Trust Indenture with respect to each Credit Enhancement Mortgage Loan.

The Servicer must monitor the rating of the institution in which the accounts under any Cash Management, Security, Pledge, and Assignment Agreement are held, and must require the Borrower to move the accounts if the rating no longer meets Fannie Mae's requirements as provided in [Part V, Chapter 3: Custodial Account Requirements](#).



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

C

Credit Enhancement Mortgage Loan Mortgage Loan financed by a Bond issuance where Fannie Mae provides credit enhancement by

- a Credit Enhancement Instrument, or
- an MBS for Bonds.

Synonyms

- Credit Enhancement Mortgage Loans

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

I

Indenture Bond issuer trust indenture or resolution listing Bond terms.

S

Security MBS, PFP MBS, or REMIC.



Servicer

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

Synonyms

- Servicers