



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## **206.01** Fannie Mae Form Loan Documents

For Mortgage Loans originated using Fannie Mae published Note forms, the Borrower's monthly payments must be applied in the following order:

- any delinquent interest (other than interest attributable to the default interest rate);
- any delinquent principal;
- interest for the current month at the Gross Note Rate;
- principal for the current month;
- reimburse the Servicer or Fannie Mae for any T&I payments;
- reimburse the Servicer or Fannie Mae for any delinquency resolution costs, attorney fees, Appraisal fees, environmental assessment costs, or PCA costs;
- reimburse the Servicer or Fannie Mae for any payments to protect the Property;
- late charges;
- default interest;
- T&I Custodial Account deposits; and
- Collateral Agreement Custodial Account deposits.



# Glossary

## A

**Appraisal** Written statement independently and impartially prepared by a qualified appraiser stating an opinion of the Property's market value

- as of a specific date, and
- supported by the presentation and analysis of relevant market information.

### **Synonyms**

- Appraisals

## B

**Borrower** Person who is the obligor per the Note.

### **Synonyms**

- Borrowers
- Borrower's

## C

**Collateral Agreement** Agreement granting a security interest in Mortgage Loan collateral not covered by the Security Instrument.

### **Synonyms**

- Collateral Agreements

**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

## G

**Gross Note Rate** Interest rate stated in the Loan Documents.



## N

Note Instrument evidencing a Mortgage Loan obligation, including

- Form 6010 series,
- any other Fannie Mae-approved note, and
- all applicable
  - addenda,
  - schedules, and
  - exhibits.

### **Synonyms**

- Notes

## P

Property Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

### **Synonyms**

- Properties
- Property's

## S

Servicer Primary Person servicing the Mortgage Loan, including

- the originator,
- seller, or
- a third party.

### **Synonyms**

- Servicers
- Servicer's

## T



T&I Custodial Account

Custodial Account for the deposit of T&I and other impound escrow funds.

**Synonyms**

- T&I Custodial Accounts