



Fannie Mae®

---

# Multifamily Selling and Servicing Guide

Effective as of November 15, 2024

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 III Section 1803 Prepayment Premiums .....	3
GLOSSARY .....	4



## Section 1803 Prepayment Premiums

### Requirements

You must not waive any:

- Prepayment Premium based on required yield maintenance; or
- portion of the Minimum 1% Prepayment Premium above the required yield maintenance if the Portfolio Mortgage Loan
  - has a minimum Prepayment Premium other than 1%,
  - will be refinanced before the Yield Maintenance Period End Date, or
  - is a fixed rate MBS Mortgage Loan with an Issue Date before April 1, 1999.

### Guidance

For all other Choice Refinance Loans:

Cash or MBS	You may waive the Minimum 1% Prepayment Premium...
Fixed Rate	<ul style="list-style-type: none"><li>• after the Yield Maintenance Period End Date, or</li><li>• for declining Prepayment Premiums during the 6 months before the Maturity Date.</li></ul>
ARM and SARM	after any lockout if the Portfolio Mortgage Loan <ul style="list-style-type: none"><li>• is being refinanced with a fixed rate 7- or 10-year term, and</li><li>• was either<ul style="list-style-type: none"><li>- an ARM Loan with a Plan Number of 02160, 02254, 02255, 03471, or</li><li>- a SARM Loan with a Plan Number of 03488.</li></ul></li></ul>



# Glossary

## I

Issue Date First day of the month a Security is issued.

## M

Maturity Date Date all Mortgage Loan amounts become fully due and payable per the Loan Documents.

### **Synonyms**

- Maturity Dates

MBS Mortgage-Backed Security

MBS Mortgage Loan Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan.

### **Synonyms**

- MBS Mortgage Loans

Minimum 1% Prepayment Premium For a prepayment, an amount equal to 1% of the UPB.

## P

Plan Number Number identifying the applicable loan characteristics for any Mortgage Loan that accrues interest at a variable rate at any time during the loan term.

### **Synonyms**

- Plan Numbers



Portfolio Mortgage Loan

Mortgage Loan purchased by Fannie Mae and held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan.

**Synonyms**

- Portfolio Mortgage Loans
- Portfolio Mortgage Loan's

Prepayment Premium

For a Mortgage Loan prepayment, amount the Borrower must pay in addition to the prepaid principal and accrued interest per the Loan Documents.

**Synonyms**

- Prepayment Premiums

**Y**

Yield Maintenance Period End Date

Last day on which a Borrower owes yield maintenance for a voluntary Mortgage Loan prepayment.

**Synonyms**

- Yield Maintenance Period End Dates