



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of April 3, 2026

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## Section 1703 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