



# Multifamily Selling and Servicing Guide

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## **208.01C** Delinquency Advances on a Credit Enhancement Mortgage Loan

Whether or not the Borrower pays to the Lender the full amount due on a Credit Enhancement Mortgage Loan, and whether such amounts are payable under the Financing Agreement, the Note, the Reimbursement Agreement or other transaction documents, the Lender shall make Delinquency Advances in amounts as follows, each in the amount as required to be made under the Financing Agreement, the Note, the Reimbursement Agreement or other applicable transaction document, net of any Servicing Fee otherwise payable to the Lender:

- interest payments as required by the definition of Delinquency Advances, net of Servicing Fees;
- monthly installments of principal owed on the Credit Enhancement Mortgage Loan, or, if the transaction documents of the Credit Enhancement Mortgage Loan require the Borrower to make deposits to a PRF in lieu of amortizing the principal of the Credit Enhancement Mortgage Loan in whole or in part, deposit in a special custodial account meeting the requirements of the Guide (“Special Custodial Account”) any amounts that the Borrower was obligated under the Note, the Reimbursement Agreement or other applicable transaction document to pay as deposits to the PRF and transfer such funds in the Special Custodial Account to the applicable Bond Trustee at such time as the funds are required for a mandatory payment of P&I under the Bonds;
- the annual or other periodic fee of the Issuer as a continuing fee for the issuance of the Bonds and the provision of the financing for the Property;
- the annual or other periodic continuing trust administration fee of the Bond Trustee;
- the annual or other periodic continuing fee of the rebate analyst, if any, for its rebate calculation services;
- the annual or other periodic continuing fee of the remarketing agent, if any, for its remarketing services;
- the Credit Enhancement Fee;
- if the transaction documents of the Credit Enhancement Mortgage Loan require the Borrower to make deposits to a PRF in lieu of amortizing the principal of the Credit Enhancement Mortgage Loan in whole or in part, the PRF Fee; and
- if the Credit Enhancement Instrument contains a liquidity facility for the Bonds, the Liquidity Fee.



The Lender shall make such advances to the party, in the manner and at the time the Lender is required to make such remittances under the Guide. The Lender's agreement to make Delinquency Advances in respect of a Credit Enhancement Mortgage Loan constitutes a separate contractual obligation of the Lender to Fannie Mae and is not a guaranty or surety of any obligation of the related Borrower.



## Glossary

### B

|              |   |
|--------------|---|
| Bond Trustee | Trustee for a Credit Enhancement Instrument.  |
| Bonds        | Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties. |

#### **Synonyms**

- Bond

|          |   |
|----------|---|
| Borrower | Person who is the obligor under the Note. |
|----------|---|

#### **Synonyms**

- Borrowers
- Borrower's

### C

|                        |  |
|------------------------|--|
| Credit Enhancement Fee | Fee due to Fannie Mae for a Credit Enhancement Instrument. |
|------------------------|--|

|                               |  |
|-------------------------------|--|
| Credit Enhancement Instrument | Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility. |
|-------------------------------|--|

#### **Synonyms**

- Credit Enhancement Instruments



## Credit Enhancement Mortgage Loan

Mortgage Loan underwritten and serviced by the Lender and financed by the issuance of Bonds where Fannie Mae is providing a Credit Enhancement Instrument.

### **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

## **G**

### Guide

Multifamily Selling and Servicing Guide and Delegated Underwriting and Servicing Guide, including any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented by any lender memo; provided, however, if a topic is covered in the Multifamily Selling and Servicing Guide, that Guide shall control unless a Lender Contract specifically requires use of another Guide.

### **Synonyms**

- DUS Guide

## **I**

### Issuer

Entity that:

- issues Bonds for a Credit Enhancement Mortgage Loan;
- packages mortgages for sale as a Security for an MBS;
- or
- issues a Letter of Credit.

### **Synonyms**

- Issuers

## **L**



**Lender** Person approved by Fannie Mae to sell or service Mortgage Loans.

**Synonyms**

- Lenders
- Lender's

## N

**Note** Current instrument evidencing a Mortgage Loan obligation, including [Form 6010 series](#), any other note approved by Fannie Mae, and all applicable addenda, schedules, and exhibits.

**Synonyms**

- Notes

## P

**P&I** Principal and interest

**PRF** Principal Reserve Fund for Bond Credit Enhancements, see Part XIV of the DUS Guide.

**Synonyms**

- Principal Reserve Fund

**Property** Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

**Synonyms**

- Properties
- Property's

## R

**Reimbursement Agreement** For Bond Credit Enhancements, see Part XIV of the DUS Guide.



## S

### Servicing Fee

Fee a Servicer receives for collecting payments, managing operational procedures, and assuming Lender's portion of credit risk for a Mortgage Loan.

#### **Synonyms**

- Servicing Fees