



# Multifamily Selling and Servicing Guide

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## **201.03** Commitment Terms

### **201.03A** Rate Lock Period; Delivery Timing

- The Rate Lock Period for a Streamlined Rate Lock Mortgage Loan may not exceed 180 days.
- A Streamlined Rate Lock Mortgage Loan must be delivered to Fannie Mae within 30 days after the Mortgage Loan Origination Date.

### **201.03B** Minimum Rate Lock Amount for Trades with the Multifamily Trading Desk; Dual Commitment Option

For Cash and MBS Trades with the Multifamily Trading Desk, the Lender must follow the procedures for entering into a Rate Lock set forth in [Part IV A, Chapter 3: Committing](#), except that the Lender has the option to rate lock less than the fully anticipated amount of the Mortgage Loan, but not less than 75% of the anticipated Mortgage Loan amount.

If the Lender anticipates that it will be utilizing the Dual Commitment Option, the Lender must notify the Multifamily Trading Desk at the time of the original Rate Lock.

### **201.03C** Commitment Modifications

The Settlement Date and Commitment Expiration Date may only be extended after the Lender has fully underwritten the Streamlined Rate Lock Mortgage Loan as described in [Part IV B, Chapter 2: Streamlined Rate Lock, Section 204: The Lender's Determination after Completion and Review of the Full Underwriting Package](#). For MBS Mortgage Loans or Cash Mortgage Loans with the Multifamily Trading Desk, any extension of the Streamlined Rate Lock must be approved by the Multifamily Trading Desk, and may be subject to additional fees. Any Mortgage Loan with an initial Rate Lock Period in excess of 180 days, or any Rate Lock extension that would cause the total Rate Lock Period to exceed 180 days, the Lender must also contact the Fannie Mae Deal Team for approval before seeking the extension (e.g., no extension is permitted for a Mortgage Loan with an initial Rate Lock Period in excess of 150 days without the approval of the Fannie Mae Deal Team).

The Lender may negotiate an extension of the Settlement Date with the Third Party MBS Investor, provided that the extension does not exceed more than 30 days beyond the original Settlement Date. Any approved extension request (a) may require adjustment to the locked interest rate, as determined by the Third Party MBS Investor; and (b) may



require Lender to pay any fees charged by the Third Party MBS Investor.

Any approved modification of the Streamlined Rate Lock or Commitment must be done in accordance with [Part IV A, Chapter 3: Committing, Section 305: Commitment Terms and Procedures](#).



# Glossary

## C

**Commitment** Contractual agreement between Fannie Mae and the Lender where Fannie Mae agrees to buy a Mortgage Loan from the Lender at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and the Lender agrees to Deliver that Mortgage Loan to Fannie Mae.

**Synonyms**

- Committed
- Commitments

**Commitment Expiration Date** Date when a Commitment expires.

## D

**Dual Commitment Option** For ERL Mortgage Loans and Streamlined Rate Lock Mortgage Loans that are subject to trades with the Multifamily Trading Desk, the ability of the Lender to increase the Rate Lock Amount of the Mortgage Loan per [Part IV B, Chapter 1: Early Rate Lock](#).

## F

**Fannie Mae Deal Team** Team responsible for reviewing Pre-Review Mortgage Loans, waivers, etc.

**Synonyms**

- Deal Team

## L



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

**Synonyms**

- Lenders
- Lender's

## **M**

**MBS** Mortgage-Backed Security

**Mortgage Loan** Mortgage debt obligation evidenced, or when made will be evidenced, by the Loan Documents or a mortgage debt obligation with a Fannie Mae credit enhancement.

**Synonyms**

- Mortgage Loans

**Mortgage Loan Origination Date** Date the Lender funds a Mortgage Loan to the Borrower.

**Synonyms**

- Mortgage Loan's Origination Date
- Origination Date

**Multifamily Trading Desk** Team that quotes interest rate pricing for a Mortgage Loan and can be contacted at (888) 889-1118.

## **R**

**Rate Lock** Agreement between the Lender and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

**Synonyms**

- Rate Locks



Rate Lock Period

Time from Rate Lock execution through the Settlement Date.

## **T**

Third Party MBS Investor

MBS Investor for an MBS Mortgage Loan that is not the Multifamily Trading Desk.