Fannie Mae®

Multifamily Selling and Servicing Guide

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210.05C Remitting Full Prepayment Payoff Amount

Under MBS, the Servicer must remit a full month's accrued interest (calculated at the MBS Pass-Through Rate) for each month that the MBS is outstanding, even if a full or partial prepayment occurs during that month. Any shortfall between the interest collected from the Borrower and the full month's interest that is due to Fannie Mae must be deposited in the Servicer's MBS P&I Custodial Account from the Servicer's own funds and remitted to Fannie Mae. The Servicer must also remit a full month's Guaranty Fee for each month that the MBS is outstanding, even if a full or partial prepayment occurs during that month.

The Servicer must remit the prepayment amount on the Remittance Date in the month after the payoff occurs per the remittance requirements in this Chapter.

Glossary

B

Borrower	Person who is the obligor per the Note. **Synonyms** • Borrowers • Borrower's

C

Custodial Account	Account established by the Servicer for depositing P&I payments, T&I payments, and escrow, reserve, or other funds received from the Borrower per any Loan Document, including the: • Collateral Agreement; • Multifamily Loan Agreement; or • Security Instrument. **Synonyms** • Custodial Accounts

G

Guaranty	Payment Guaranty, Non-Recourse Guaranty, or other guaranty by a Guarantor for the Mortgage Loan.
Guaranty Fee	Fee retained by Fannie Mae for credit enhancing a Mortgage Loan or assuming credit risk on a Mortgage Loan, and which may be expressed as a percentage. **Synonyms** • Guaranty Fees

M

MBS	Mortgage-Backed Security

P



P&I	Principal and interest
P&I Custodial Account	Custodial Account for principal and interest deposits. **Synonyms** • P&I Custodial Accounts
Pass-Through Rate	Mortgage Loan Gross Note Rate minus: • for MBS Mortgage Loans, the Guaranty Fee, minus the Servicing Fee; and • for Cash Mortgage Loans, the Servicing Fee.

R

Remittance Date	The 18th day of each month (or the preceding Business Day if the 18th is not a Business Day) on which you must submit your remittance to Fannie Mae for the Mortgage Loan.

S

Servicer	Primary Person servicing the Mortgage Loan, including • the originator, • seller, or • a third party. **Synonyms** • Servicers • Servicer's