



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## **213.02A** Calculation of Total Prepayment Premium

For any prepayment that occurs before the Yield Maintenance Period End Date, the Servicer must first determine the total Prepayment Premium owing by the Borrower in accordance with the Loan Documents. The Loan Documents generally require the Borrower to pay a Prepayment Premium equal to the greater of (i) 1% of the UPB (the “Minimum 1% Prepayment Premium”), or (ii) yield maintenance.



# Glossary

## B

**Borrower** Person who is the obligor per the Note.

### **Synonyms**

- Borrowers
- Borrower's

## L

**Loan Documents** All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

### **Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

## M

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

## P

**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

## S



**Servicer** Primary Person servicing the Mortgage Loan, including

- the originator,
- seller, or
- a third party.

**Synonyms**

- Servicers
- Servicer's

## U

**UPB** Unpaid Principal Balance

**Synonyms**

- UPBs

## 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