



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 701

Generally

This Chapter sets forth the policies, procedures and standards for servicing Non-Performing Mortgage Loans through the default resolution process. The provisions of this Chapter apply, unless otherwise noted, to both Secondary Risk Mortgage Loans and Primary Risk Mortgage Loans.

Fannie Mae requires that, at a minimum, each Servicer offer the same standard of care to its Fannie Mae portfolio as it would its own portfolio. Subject to this Chapter, the Servicer must aggressively pursue collection of all amounts due from Borrowers under the Loan Documents to minimize losses. To that end, this Chapter sets forth the roles, duties and responsibilities of the various groups within Fannie Mae, the Servicer, and, if applicable, the Special Servicer charged with resolving delinquencies and defaults in the most efficient and expeditious manner.

The party performing the loss mitigation actions, as outlined in this Chapter 7, is referred to as the "Special Servicer". The Special Servicer will either be the Lender, Fannie Mae, or a contract Special Servicer for the Lender or Fannie Mae, as permitted by this Guide. In this Chapter, any reference to the respective rights or duties of the Lender or Fannie Mae, as the Special Servicer, shall also apply to any approved contract Special Servicer for the Lender or Fannie Mae; however, it is the Lender's responsibility to ensure that any actions taken in its behalf by a contract Special Servicer fully comply with the requirements of this Guide.

The requirements set forth in this Chapter represent only the minimum requirements that Fannie Mae expects from the Servicer. Unusual circumstances may require the Servicer to perform additional servicing duties as directed by Fannie Mae. Fannie Mae requires a high standard of delinquent Mortgage Loan servicing. Failure to service in accordance with that standard may result in Fannie Mae's exercise of its remedies as set forth in the Guide and the Lender's Contract.

In the event of a conflict between this Chapter, the Lenders Contract, the Transaction Documents, and the Loan Documents, the following is the order of priority regarding governing provisions: (1)Loan Documents, (2)Transaction Documents, (3)Lenders Contract, and (4)this Chapter. To the extent not in contradiction with the Loan Documents, the Lenders Contract or the Transaction Documents, the requirements of this Chapter must be satisfied.



Glossary

G

Guide Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise.

Synonyms

- DUS Guide

L

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

Synonyms

- Lenders
- Lender's

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

Synonyms

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

M

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's



S

Servicer Primary Person servicing the Mortgage Loan, including

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

Synonyms

- Servicers
- Servicer's

Special Servicer Servicer (which may be Fannie Mae, the Servicer, or a third-party special servicer contracted by Fannie Mae) responsible for implementing the loss mitigation actions for a Non-Performing Mortgage Loan.