



Fannie Mae®

Multifamily Selling and Servicing Guide

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216.06 Prepayments: Remittances

The Servicer must remit any Prepayment Premium and/or Termination Fee due Fannie Mae by 2:00 p.m. Eastern Time, on the next Business Day following the day on which the Borrower's prepayment is received.

Depending on the execution and transaction type, the Servicer must also be concerned with invoicing, collecting and remitting the principal amount of the Mortgage Loan to be prepaid. In all cases, the Servicer must invoice and collect the principal amount being prepaid from the Borrower. No prepayment of Direct Pay Facilities will be allowed until Fannie Mae receives the necessary funds from the Borrower.

Any prepayment of principal on any Mortgage Loan received by the Servicer shall be paid, as follows:

1. Standby Execution: Prepayments shall be remitted to the Bond Trustee not later than the Bond Business Day immediately after the date of receipt such funds by the Servicer; or
2. Direct Pay Execution: Prepayments shall be remitted to Fannie Mae on the same day as the Fannie Mae Advance to the Bond Trustee funding the corresponding bond redemption associated with the prepayment.



Glossary

B

Bond Trustee Trustee for a Credit Enhancement Instrument.

Synonyms

- Bond Trustee's

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

Business Day Any day other than a

- Saturday,
- Sunday,
- day when Fannie Mae is closed,
- day when the Federal Reserve Bank of New York is closed, or
- for any MBS and required remittance withdrawal, day when the Federal Reserve Bank is closed in the district where any of the MBS funds are held.

Synonyms

- Business Days

D

Direct Pay Credit enhancement under which Fannie Mae makes principal and interest payments directly to the Bond Trustee (for payment to bondholders) regardless of whether the Borrower has reimbursed Fannie Mae for such payments.

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

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

Standby

Credit enhancement under which Fannie Mae makes principal and interest payments directly to the Bond Trustee (for payment to bondholders) if the Borrower fails to make required mortgage note payments or if a bankruptcy event has occurred.