



Multifamily Selling and Servicing Guide

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Section 202 Preliminary Underwriting Requirements

All underwriting standards and requirements of the Guide are applicable to Streamlined Rate Lock Mortgage Loans, except for the timing and documentation differences described in this Section 202. Prior to obtaining a Streamlined Rate Lock, the Lender must:

(a) receive an executed Borrower Commitment pursuant to [Part IV A, Chapter 3: Committing, Section 302: Requirements for Rate Lock and Commitment](#) in which the Borrower agrees to close the Streamlined Rate Lock Mortgage Loan and be liable for any costs, fees, or damages associated with the Borrower's failure to originate the Mortgage Loan, as further described in the Streamlined Rate Lock Agreement;

(b) obtain sufficient preliminary information and documentation to obtain preliminary approval from the Lender's Loan Committee for the Streamlined Rate Lock Mortgage Loan and the Streamlined Rate Lock;

(c) receive funds from the Borrower to pay transaction costs and costs of third-party professional reports in accordance with the Lender's requirements;

(d) collect the Minimum Good Faith Deposit pursuant to the terms of [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits](#) (the Good Faith Deposit required by a Third Party MBS Investor may be in excess of the Minimum Good Faith Deposit required by Fannie Mae);

(e) complete the following underwriting related to the Borrower, the Key Principal, and the Principal:

1. identify the Borrower, the Key Principals, and the Principals;
2. perform an ACheck review for each Borrower, Key Principal, and Principal; and
3. determine that each Borrower, Key Principal, and Principal is not (a) a "specially designated national and blocked person" on the Specially Designated Nationals List maintained by OFAC; or (b) included on the SCP List.

(f) advise the Borrower:

1. to review and request any modifications to the Fannie Mae standard form multifamily Loan Documents; and
2. that, if the Borrower enters into a Rate Lock of the Mortgage Loan with the Lender and Investor prior to the review and



approval by the Lender of all Loan Document modifications requested by the Borrower, approval of any subsequent modifications shall be at the sole discretion of Fannie Mae and the Lender, and any refusal by the Lender shall not constitute a defense of the Borrower to the failure by the Borrower to close the Mortgage Loan in accordance with the Loan Commitment (in the amount of the Rate Lock Loan Amount); and

(g) enter into a Streamlined Rate Lock Agreement among the Borrower, the Key Principal and the Lender in which the Borrower and the Key Principal jointly and severally agree to pay to the Lender, on a full recourse basis, any damages associated with the Borrower's failure to originate the Mortgage Loan, which damages to a Third Party MBS Investor may be in excess of the Minimum Good Faith Deposit required by Fannie Mae.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

Borrower Commitment Lender's written commitment with the Borrower to originate a Mortgage Loan, and any separate written or oral rate lock agreements between the Lender and the Borrower to rate lock the Mortgage Loan.

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

G

Good Faith Deposit As defined in Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits.

Synonyms

- Good Faith Deposits



Guide

Multifamily Selling and Servicing Guide and Delegated Underwriting and Servicing Guide, including any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented by any lender memo; provided, however, if a topic is covered in the Multifamily Selling and Servicing Guide, that Guide shall control unless a Lender Contract specifically requires use of another Guide.

Synonyms

- DUS Guide

I

Investor

MBS Investor for an MBS Mortgage Loan, or Fannie Mae for a Cash Mortgage Loan.

Synonyms

- Investors

K

Key Principal

Person(s) who control and/or manage the Borrower or the Property, are critical to the successful operation and management of the Borrower and the Property, and who may be required to provide a Guaranty.

Synonyms

- Key Principals

L

Lender

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

Synonyms

- Lenders
- Lender's



Lender's Loan Committee Person, committee, or other approving body authorized by the Lender to review and approve real estate financing transactions.

Loan Documents All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

Synonyms

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

M

Minimum Good Faith Deposit Amount you are required to collect when originating a Mortgage Loan per [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits](#).

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

O

OFAC U.S. Treasury Department, Office of Foreign Assets Control.

P

Principal Person who owns or controls specified interests in the Borrower per [Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors](#).

Synonyms

- Principals



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

S

SCP List

FHFA's Suspended Counterparty Program list located at www.fhfa.gov.

T

Third Party MBS Investor

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