



Multifamily Selling and Servicing Guide

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TABLE OF CONTENTS

Part IV B Section 204 The Lender’s Determination after Completion and Review of the Full Underwriting Package	3
204.01 Full Underwriting	3
204.01A Changes to Rate Lock Amount or Commitment Amount	3
204.01B Mortgage Loan Delivery Package	3
204.02 Lender Determinations after Full Underwriting	4
204.02A No Change to the Streamlined Rate Lock, or an Increase or..... Decrease to the Delivered Mortgage Loan Amount within the Delivery Tolerance	4
204.02B Changes to the terms of the Streamlined Rate Lock or the Commitment	4
204.02C Waiver to Accept Delivery	6
204.02D Non-Delivery of Streamlined Rate Lock Mortgage Loan	7
GLOSSARY	8



Section 204 The Lender's Determination after Completion and Review of the Full Underwriting Package

204.01 Full Underwriting

After the Lender has completed full underwriting of the Streamlined Rate Lock Mortgage Loan, the Lender must make 1 of the determinations described in [Part IV B, Chapter 2: Streamlined Rate Lock, Section 204.02: Lender Determinations after Full Underwriting](#).

204.01A Changes to Rate Lock Amount or Commitment Amount

Subject to the terms of [Part IV B, Chapter 2: Streamlined Rate Lock, Section 204.02: Lender Determinations after Full Underwriting](#), no changes may be made to the Rate Lock amount after obtaining a Streamlined Rate Lock or to the Commitment Amount after a Commitment has been confirmed. All changes to the preliminary Net Operating Income, the Property value, or any other items used to determine the Rate Lock amount must be fully documented in the Folder II submission of the Mortgage Loan Delivery Package.

204.01B Mortgage Loan Delivery Package

The preliminary information and documentation described in [Part IV B, Chapter 2: Streamlined Rate Lock, Section 202: Preliminary Underwriting Requirements](#) must be included in the Mortgage Loan Delivery Package described in [Part IV A, Chapter 5: Delivery Procedures – Documents](#) and must be in a form that will enable Fannie Mae to conduct a post-purchase file review of the information.

In addition, the following must be included in the Lender's final Mortgage Loan Delivery Package Delivered pursuant to [Part IV A, Chapter 5: Delivery Procedures – Documents](#):

- a complete Transaction Approval Memo and underwriting spreadsheets with details on how the Rate Lock amount for the Streamlined Rate Lock Mortgage Loan was calculated, including any required change to the Guaranty Fee Rate and Servicing Fee Rate included in the Streamlined Rate Lock for a non-qualifying Green Rewards Mortgage Loan, as described in [Part IV B, Chapter 2: Streamlined Rate Lock, Section 204.02: Lender Determinations after Full Underwriting](#);
- the calculation of any changes to the Delivered Mortgage Loan Amount; and



- all required underwriting documentation used at the time of full underwriting.

204.02 Lender Determinations after Full Underwriting

After completing the full underwriting and prior to submitting Folder II of the Mortgage Loan Delivery Package to Fannie Mae, the Lender must, based on the results of the full underwriting, determine if the Streamlined Rate Lock Mortgage Loan will be:

- delivered with no changes to the terms of the Streamlined Rate Lock or the Commitment;
- delivered with changes to the terms of the Streamlined Rate Lock or the Commitment; or
- not delivered to Fannie Mae.

204.02A No Change to the Streamlined Rate Lock, or an Increase or Decrease to the Delivered Mortgage Loan Amount within the Delivery Tolerance

The Lender must make Delivery of an eligible Streamlined Rate Lock Mortgage Loan satisfying the terms and conditions of the Streamlined Rate Lock, the Commitment, and the Guide if, after the completion of full underwriting, the Lender determines that:

- no change is necessary to the Streamlined Rate Lock or the Commitment;
- a decrease to the Delivered Mortgage Loan Amount from the Commitment Amount within the Delivery Tolerance (see [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General](#)) must be made to conform the Mortgage Loan to the required Pricing and Underwriting Tier; or
- an increase to the Delivered Mortgage Loan Amount from the Commitment Amount within the Delivery Tolerance (see [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General](#)) can be made, provided that the Delivered Mortgage Loan Amount must be at the same Pricing and Underwriting at which the Mortgage Loan was underwritten.

Within 1 Business Day after the determining that the Delivered Mortgage Loan Amount will be greater or less than the Commitment Amount but within the Delivery Tolerance, the Lender must submit a data change request in C&D, as described in [Part IV A, Chapter 3: Committing, Section 305: Commitment Terms and Procedures](#), to update the fields that relate to the changed Commitment Amount.



204.02B Changes to the terms of the Streamlined Rate Lock or the Commitment

1. Decrease in the Delivered Mortgage Loan Amount in Excess of the Delivery Tolerance up to 10% of the Commitment Amount.

If after the completion of full underwriting, the Lender determines that the Delivered Mortgage Loan Amount will be less than 95% of the Commitment Amount but greater than 90% of the Commitment Amount, then:

- for Cash and MBS Trades with the Multifamily Trading Desk:
 - Fannie Mae shall accept delivery of the Mortgage Loan in such lesser amount; and
 - the Lender shall owe as liquidated damages, to be paid from the Good Faith Deposit, an amount equal to (i) the difference between 95% of the Commitment Amount and the Delivered Mortgage Loan Amount, multiplied by (ii) the applicable Good Faith Deposit percentage set forth in [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits](#);
- for MBS Trades with a Third Party MBS Investor:
 - the Lender must confirm whether the Third Party MBS Investor will accept delivery of an MBS in a lower amount than that required to meet that Third Party MBS Investor's delivery requirements (but which Third Party MBS Investor's delivery requirements shall not be less than 90% of the Commitment Amount); and
 - send confirmation by the Third Party MBS Investor that the Third Party MBS Investor will accept delivery of the MBS in such lower amount to Multifamily Acquisitions.

Within 1 Business Day after the determining that the Delivered Mortgage Loan Amount will be less than the Commitment Amount and not within the Delivery Tolerance as permitted above, the Lender must submit a data change request in C&D as described in [Part IV A, Chapter 3: Committing, Section 305: Commitment Terms and Procedures](#) to update the fields that relate to the changed Commitment Amount.

2. Increase in the Delivered Mortgage Loan Amount in Excess of the Delivery Tolerance is Justified (Dual Commitment Option).

For Cash and MBS Trades with the Multifamily Trading Desk, the Lender may utilize the Dual Commitment Option set forth in [Part IV B, Chapter 2: Streamlined Rate Lock, Section 205: Dual Commitment Option](#) only if, after the completion of full underwriting, the Lender



determines that:

- the Streamlined Rate Lock Mortgage Loan qualifies for additional proceeds in excess of the Delivery Tolerance; and
- the Lender desires to increase the Commitment Amount of the Streamlined Rate Lock Mortgage Loan.

3. Change in the Streamlined Rate Lock for a Non-Qualifying Green Rewards Mortgage Loan.

In addition to any other changes required by this Section, if after determining that the Mortgage Loan will not (a) project the reduction in annual energy or water consumption required to qualify as a Green Rewards Mortgage Loan, or (b) receive the Fannie Mae-recognized Green Building Certification required to qualify as a Green Mortgage Loan, an adjustment to the Streamlined Rate Lock will be required. Within 1 Business Day after such determination, the Lender must:

- prior to originating the Mortgage Loan, (i) notify the Fannie Mae Deal Team, and (ii) make any necessary changes to the Mortgage Loan amount and Gross Note Rate in the Loan Documents; and
- prior to the Delivery Deadline, submit a data change request in C&D, as described in [Part IV A, Chapter 3: Committing, Section 305: Commitment Terms and Procedures](#), to:
 - update the Gross Note Rate for the Mortgage Loan to include the alternative “non-Green” Guaranty Fee Rate and Servicing Fee Rate provided by the Fannie Mae Deal Team at the time of Rate Lock as a Green Mortgage Loan; and
 - make any required change in the Mortgage Loan amount.

204.02C Waiver to Accept Delivery

If, after the completion of final underwriting, the Lender determines that (i) the Lender cannot make Delivery of the Streamlined Rate Lock Mortgage Loan without a modification to the terms of the Streamlined Rate Lock and the Commitment, and (ii) the Lender still desires to make Delivery of the Streamlined Rate Lock Mortgage Loan with a modification to terms of the Streamlined Rate Lock and the Commitment, the Lender must submit a waiver request explaining the reasons for the proposed modifications to the Streamlined Rate Lock and the Commitment and the rationale for the Lender’s desire for Fannie Mae to accept Delivery of the Streamlined Rate Lock Mortgage Loan. If the waiver request is not approved by Fannie Mae and the Lender cannot otherwise make Delivery of the Streamlined Rate Lock Mortgage Loan without a modification to the terms of the Streamlined Rate Lock and the Commitment, the Lender will be subject to the provisions



set forth in [Part IV A, Chapter 5: Delivery Procedures – Documents, Section 501.05: Failure to Deliver: Return of Package.](#)

204.02D Non-Delivery of Streamlined Rate Lock Mortgage Loan

After the completion of full underwriting, the Lender may inform Fannie Mae that the Mortgage Loan will not be delivered. In such case, the Lender will be subject to the provisions set forth in [Part IV A, Chapter 5: Delivery Procedures – Documents, Section 501.05: Failure to Deliver: Return of Package.](#)



Glossary

B

Business Day	<p>Any day other than a</p> <ul style="list-style-type: none">• Saturday,• Sunday,• day on which Fannie Mae is closed,• day on which the Federal Reserve Bank of New York is closed, or• for any MBS and any required withdrawal for remittance thereunder, a day on which the Federal Reserve Bank is closed in the district where any funds are held for the MBS. <p>Synonyms</p> <ul style="list-style-type: none">• Business Days
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C

Commitment	<p>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.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Committed• Commitments
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Commitment Amount	Anticipated Mortgage Loan amount per the Commitment.
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D

Delivered Mortgage Loan Amount	UPB of a Mortgage Loan when it is purchased by Fannie Mae.
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Delivery Meeting all of the data delivery requirements in [Part IV A, Chapter 4: Delivery Procedures – Data](#), and submitting an acceptable Mortgage Loan Delivery Package per [Part IV A, Chapter 5: Delivery Procedures – Documents](#). A Mortgage Loan is “Delivered,” when all documents, data, and information are correct, accurate, and able to be certified by Fannie Mae, with all required documents properly completed, executed, and recorded (if applicable), and any deficiencies are resolved to Fannie Mae’s satisfaction.

Synonyms

- Deliver
- Delivered
- Deliveries

Delivery Deadline Per [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General for the Delivery of a Mortgage Loan for purchase](#).

Delivery Tolerance Per [Part IV A, Chapter 4: Delivery Procedures – Data, Section 401: General for the Delivery of a Mortgage Loan for purchase](#).

Dual Commitment Option For ERL Mortgage Loans and Streamlined Rate Lock Mortgage Loans that are subject to trades with the Multifamily Trading Desk, the ability of the Lender to increase the Rate Lock Amount of the Mortgage Loan per [Part IV B, Chapter 1: Early Rate Lock](#).

F

Fannie Mae Deal Team Team responsible for reviewing Pre-Review Mortgage Loans, waivers, etc.

Synonyms

- Deal Team

G



Good Faith Deposit	<p>As defined in Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Good Faith Deposits
Green Building Certification	<p>Designation awarded by a third-party organization to multifamily properties constructed or maintained to meet specified energy and water efficiency standards or other sustainability criteria.</p>
Green Mortgage Loan	<p>Mortgage Loan secured by a Property that incorporates features expected to have a positive environmental outcome including, but not limited to, reducing energy and water consumption at a Property, generating energy, or meeting criteria set by a third-party green building certification organization.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Green Mortgage Loans
Green Rewards Mortgage Loan	<p>Mortgage Loan secured by a Property on which the Borrower agrees to undertake 1 or more Energy- and Water-Efficiency Measures (Efficiency Measures or EWEM) that comply with Part III, Chapter 4: Green Mortgage Loans, Section 403: Green Rewards Mortgage Loans.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Green Rewards Mortgage Loans• Green Rewards
Gross Note Rate	<p>Interest rate stated in the Loan Documents.</p>
Guaranty Fee Rate	<p>Rate of the Mortgage Loan Guaranty Fee expressed as an annualized percentage.</p>



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

L

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

Synonyms

- Lenders
- Lender's

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

MBS Mortgage-Backed Security

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 Delivery Package

Loan Documents and underwriting material required in connection with the Delivery of a Mortgage Loan.

Multifamily Acquisitions

Team that can be contacted at mf_acquisitions@fanniemae.com.

Multifamily Trading Desk

Team that quotes interest rate pricing for a Mortgage Loan and can be contacted at (888) 889-1118.

N

Net Operating Income

On an annual basis or any specified period, the total Effective Gross Income minus the Property's operating expenses.

Synonyms

- NOI

P

Pricing and Underwriting Tier

Tier 1, Tier 2, Tier 3, or Tier 4 per the Multifamily Underwriting Standards (Form 4660).

Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms

- Properties
- Property's

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

Servicing Fee Rate

Rate of the Servicing Fee for the Mortgage Loan, expressed as an annualized percentage.

T

Third Party MBS Investor

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