



Multifamily Selling and Servicing Guide

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Section 205 Dual Commitment Option

205.01 General

For trades with the Multifamily Trading Desk, the Dual Commitment Option is available to increase the Commitment Amount of the Streamlined Rate Lock Mortgage Loan if the Lender determines that the Property supports an increase to the Mortgage Loan Amount after completion of full underwriting. If the Lender anticipates using the Dual Commitment Option, the Lender must notify the Multifamily Trading Desk at the time of the original Rate Lock. If the Dual Commitment Option is used, the Delivery Tolerance may not be used to increase the Mortgage Loan amount after the completion of full underwriting of the Streamlined Rate Lock Mortgage Loan.

205.02 Obtaining Additional Proceeds

If the Lender uses the Dual Commitment Option, the Lender must contact the Multifamily Trading Desk to request a quote and indicate:

- that the quote is associated with the original Rate Lock for a Streamlined Rate Lock Mortgage Loan; and
- whether the original Rate Lock was for an MBS Mortgage Loan or a Cash Mortgage Loan.

The percentage of the UPB applicable to risk sharing may not be changed from the original Rate Lock. In addition, none of following terms of the original Rate Lock may be changed in C&D:

- Mortgage Loan term;
- Amortization term;
- Prepayment terms;
- Pricing method (the pricing structure as set forth in the Pricing Memo);
- Amortization type (interest payment method);
- Interest accrual method;
- Pricing and Underwriting Tier;
- Commitment date;
- Rate Lock period;
- Commitment Expiration Date; and
- Settlement Date.



No increase to the Good Faith Deposit is required under the Dual Commitment Option. If approved by Fannie Mae, the Multifamily Trading Desk will lock the rate with the Lender pursuant to the provisions of [Part IV A, Chapter 3: Committing, Section 303: Obtaining a Rate Lock](#). Within 1 Business Day after obtaining the Rate Lock from the Multifamily Trading Desk, the Lender must make changes to the Commitment in C&D as follows:

- For an MBS Mortgage Loan, 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. The revised Commitment for such MBS Mortgage Loan replaces the original Commitment.
- For a Cash Mortgage Loan, submit an “Additional Rate Lock” request in C&D (refer to the C&D User Manual). The revised Commitment updates the original Commitment.

The revised Commitment Amount will be the sum of (i) the original Commitment Amount, plus (ii) the Rate Lock amount for the additional loan proceeds. The stated interest rate in the revised Commitment will be the weighted average of the interest rate in the original Rate Lock and the interest rate in the Rate Lock for the additional loan proceeds.



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

Cash Mortgage Loan	<p>Mortgage Loan purchased by Fannie Mae in exchange for cash.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Cash Mortgage Loans
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
Commitment Amount	<p>Anticipated Mortgage Loan amount per the Commitment.</p>



Commitment Expiration
Date

Date when a Commitment expires.

D

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.](#)

G

Good Faith Deposit

As defined in [Part IV A, Chapter 3: Committing, Section 304: Good Faith Deposits.](#)

Synonyms

- Good Faith Deposits

L

Lender

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

Synonyms

- Lenders
- Lender's

M

MBS Mortgage Loan

Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan.

Synonyms

- MBS Mortgage Loans



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

Multifamily Trading Desk

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

P

Pricing and Underwriting Tier

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

Pricing Memo

Applicable DUS Pricing Memo or non-DUS Pricing Memo communicating pricing for various products and features to Lenders.

Synonyms

- Pricing Memos

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

U

UPB

Unpaid Principal Balance