



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part IV B Section 306.03 Interest Rate Hedge (Step 3)	3
306.03A Timing of Hedge Acquisition	3
306.03B Hedge Data	3
GLOSSARY	4



306.03 Interest Rate Hedge (Step 3)

306.03A Timing of Hedge Acquisition

An Interest Rate Hedge is required for each Structured ARM Loan. The Borrower must enter into an Interest Rate Hedge Agreement with a Fannie Mae-approved provider meeting the requirements of [Part III, Chapter 12: Structured Adjustable Rate Mortgage \(SARM\) Loans, Section 1205: Interest Rate Caps](#), in time to ensure entry of the hedge data (as described in [Part IV B, Chapter 3: Structured Transactions, Section 306.03B: Hedge Data](#)) into MSFMS no later than:

- for Structured ARM Loans that are MBS Mortgage Loans: 7 Business Days prior to (and not including) the Book-Entry Date of the MBS; or
- for Structured ARM Loans that are Cash Mortgage Loans: 5 Business Days prior to (and not including) Fannie Mae's purchase of the Mortgage Loan.

306.03B Hedge Data

Prior to submission of the pool and Mortgage Loan data in MSFMS (Step 5 above), the Lender must enter and submit the Interest Rate Hedge data in MSFMS via the "hedge" tab. To do so, the Lender must select the "hedge" tab, create a new hedge, and enter the appropriate data. After the required data has been entered, the Lender must submit the hedge data to Fannie Mae for review. Fannie Mae will compare the submitted data to the Interest Rate Hedge Agreement. If any discrepancies are noted, Fannie Mae will unlock the "hedge" tab and notify the Lender of corrections that must be made. If no discrepancies are noted, Fannie Mae will change the status from "submitted" to "active" to activate the hedge in MSFMS.



Glossary

B

Book-Entry Date Calendar date a Security is delivered by Fannie Mae via the Federal Reserve book-entry system to the applicable Investor's designated book-entry account at a depository institution.

Synonyms

- Book-Entry Delivery Date
- Settlement Date

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

L

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

Synonyms

- Lenders
- Lender's

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



MSFMS

Multifamily Structured Facilities Management System
performing collateral delivery and securitization functions
for Structured Transactions.