

Delivering Structured Transactions – Multifamily Structured Facility Management System

Multifamily Acquisitions



Contents

Multifamily Structured Transactions	3
I. Introduction	3
A. Multifamily Structured Facility Management System (MSFMS).....	3
B. Navigating to MSFMS	3
II. Registering a New Structured Transaction in MSFMS	6
III. Structured Transaction Approval	8
IV. Commitment Process	8
A. MBS Mortgage Loans	8
B. Cash Mortgage Loans and Credit Enhancement Mortgage Loans.....	8
V. Delivery Process	10
A. General.....	10
B. Deal Participant and Collateral Data Delivery (Step 1)	11
C. Underwriting Documents (Step 2)	15
D. Interest Rate Hedge (Step 3)	15
E. Pool and Mortgage Loan Data Submission (Step 4).....	17
F. Delivery of Executed Structured Transaction Loan Documents (Step 5)	21
VI. MBS Disclosure	22
VII. Additional Activity/Features of Structured Transactions	23
A. Collateral Activity	23
B. Conversion to Fixed Rate.....	25
C. Borrow-Up Approval and Funding.....	25
VIII. Contact Information	26

Multifamily Structured Transactions

I. Introduction

A. Multifamily Structured Facility Management System (MSFMS)

This Job Aid describes the registration, Commitment, Delivery, and Mortgage-Backed Security (MBS) procedures for Mortgage Loans originated as part of a Structured Transaction. The Delivery of a Structured Transaction by the Lender is managed within the Multifamily Structured Management System (MSFMS) which provides users with a centralized view of the Structured Transaction. Please contact the Multifamily Acquisitions Structured Team for MSFMS access or additional specialized training. (See “Contact Information” on page 24.)

The Delivery process for fixed and variable rate Mortgage Loans that back the issuance of an MBS in a Structured Transaction is completed in DUS Gateway® and in MSFMS. Cash Mortgage Loans and Credit Enhancement Mortgage Loans included in a Structured Transaction have additional Delivery requirements, including a data component within the Multifamily Committing and Delivery System (C&D™), that are also discussed in this Job Aid.

The following pages/tabs in MSFMS must be completed by the Lender to register and Deliver Mortgage Loans included in a Structured Transaction:

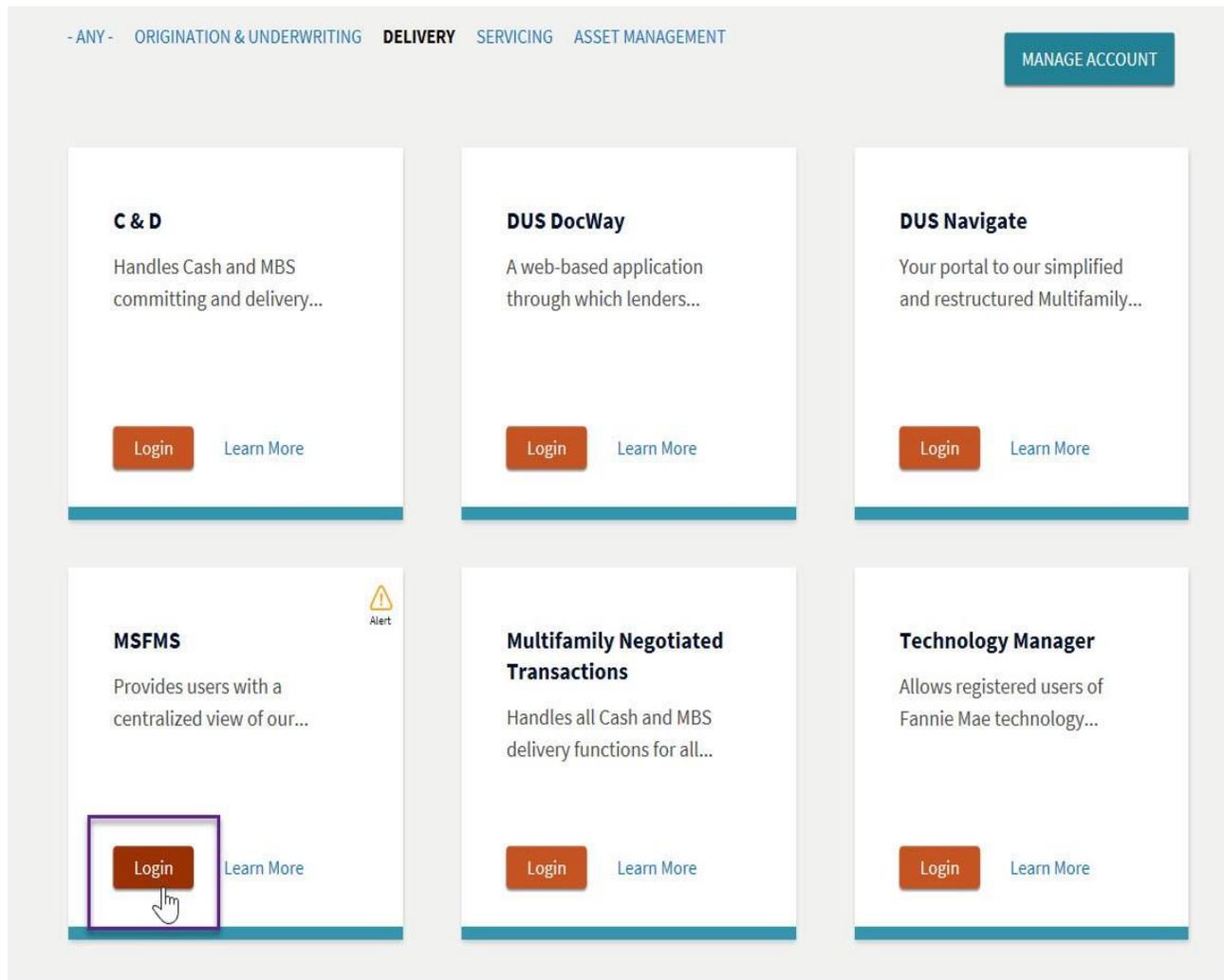
1. Registration/Contacts: used to register a new transaction;
2. Hedges (required for Structured ARM Loans when not waived): used to enter and submit Interest Rate Cap data;
3. Deal Participant: used to enter and submit participant-related data;
4. Financing Options (MBS Pool and Mortgage Loan data fields): used to enter and submit MBS information; and
5. Collateral: used to enter and submit collateral (both Property and non-property) related data.

B. Navigating to MSFMS

1. Go to Fannie Mae’s [Multifamily website](#). Click on the “Apps & Tech” tab.



2. Click on the “Apps & Tech” tab, and then click on “Delivery” to display the apps associated with Delivering a Structured Transaction.
3. Scroll down the page and locate the box for the MSFMS application and click on “Login” to launch the application. The Lender can also click the “Learn More” link to view information about the application, including the availability of the application and additional resources. Within this page the Lender can also click the “Login” link at the top of the page to launch the MSFMS application.



4. Click on the “Login” button to open the MSFMS application “Sign On” page where it will prompt the user to enter their username and password. Once the username and password have been entered, click “Sign On”.

II. Registering a New Structured Transaction in MSFMS

Using the Negotiated Seller Number, the Lender must register their Structured Transaction in MSFMS after the transaction is Under Application in DUS Gateway® and prior to the remittance of any fees to Fannie Mae. The MSFMS Deal ID will be assigned upon registration in MSFMS.

Note: Once a transaction is registered MSFMS, all subsequent MSFMS activity associated with that specific transaction will occur under that Deal Name and Deal ID.

Also, once the DUS Gateway Deal Status is “Authorized to Close”, Fannie Mae Operations will initiate an automated process that will transfer some of the Credit Facility data from DUS Gateway to MSFMS. The process will create and partially populate a Pool and Loan record for each Rate Lock/Commitment, and it will create and partially populate a Collateral record for each Property.

The Lender role required to register a Structured Transaction in MSFMS is **Lender Registration**. Perform the following steps to register the Structured Transaction in MSFMS.

- **Select** “Structured Facility” from the “*Register New Deal*” drop down selection on the “*By Deal*” tab.
- A required field in MSFMS is marked by a “+” sign, unless specified otherwise below. Complete each required field.
- **Click** “*Select Lender*” to choose the Seller name and number being used for the new Structured Transaction.
- The “Lender Information” section requires Lenders to fill out Phone, Fax, and Email fields although they do not have a “+” sign next to the field name. Fannie Mae recommends that Lenders enter the same phone number as the Fax number if a separate Fax number is not available.
- FM Operations, NAM Information, and Negotiator Information are the only Fannie Mae contacts required for the “Registration” page.
- The “Counsel Information” entered at the bottom of the page can be found on the Due Diligence letter received and signed at the beginning of the registration process.
- **Click** the “*Register*” button once all the data is complete.



Registration / Contacts Information

Register Reset Cancel

Deal Information

Transaction Type	+ Structured Facility ▼		
Fannie Mae Seller Name & Number	+ Select...		Select Lender
Deal Name	+ test 123	Seller Deal Number	+ 1235246546
Estimated Closing Date	+ 12/31/2020	Estimated Facility Commitment Amount (\$)	+ 50000000
Estimated Facility LTV (%)	+ 75.0	Estimated Facility DSCR	+ 1.25

Deal Sponsor Information

Deal Sponsor Name

If the Sponsor is a Large Borrower, please select from the list below
Select...

+ Deal Sponsor Name is required

Deal Sponsor Name:	Tax ID:	Counterparty Type:	Borrower?:	Key Principal?:	Principal?:	Check Results:
Bugs Bunny	12313131	Limited Partnership ▼	No ▼	Yes ▼	Yes ▼	----

Fannie Mae an investor in the borrower? + No ▼

Lender Information

Lender Operations Contact Name	+ Jane Smith	Lender Negotiator Contact Name	+ John Doe
Lender Operations Phone	(111) 111-1111	Lender Negotiator Phone	(111) 111-1111
Lender Operations Fax	(111) 111-1111	Lender Negotiator Fax	(111) 111-1111
Lender Operations E-mail	jane.smith@someemail.com	Lender Negotiator E-mail	john.doe@someemail.com

FM Operations

FM Operations Contact Name	+ Jenifer Cabrera ▼ Jenifer Cabrera		
FM Operations E-mail	MF_Spot@fanniemae.com	FM Operations Phone	703-833-8606

NAM Information

NAM Name	+ Cassie Ford ▼ Cassie Ford		
NAM E-mail	cassie_s_ford@fanniemae.com	NAM Phone	312-368-6243

Negotiator Information

Negotiator Name	+ Emilio Allen ▼ Emilio Allen		
Negotiator E-mail	emilio_a_allen@fanniemae.com	Negotiator Phone	202-752-6146

BAM Information

BAM Name	Select... ▼		
BAM E-mail		BAM Phone	

Large Loan Group Information

Large Loan Contact Name	Select... ▼		
Large Loan Contact E-mail		Large Loan Contact Phone Number	

Counsel Information

FM Counsel Name	Michael Rafferty ▼ Michael Rafferty	FM Outside Counsel Firm	Venable or Arent Fox
FM Counsel Phone	202-752-6645	FM Outside Counsel Contact Name	
FM Counsel E-mail	michael_rafferty@fanniemae.com	FM Outside Counsel Phone	
		FM Outside Counsel E-mail	

Register Reset Cancel

III. Structured Transaction Approval

Fannie Mae will issue a Structured Transaction Approval in DUS Gateway outlining the terms and conditions governing the Structured Transaction, including pricing and certain fees, along with any applicable expiration dates. The Fannie Mae Deal Team will provide the Lender with the name and contact information for both the Fannie Mae in-house legal counsel and the Fannie Mae outside counsel who have been assigned to work on the particular transaction. Please contact the Fannie Mae Deal Team with any questions related to any of the approval terms and or expiration dates.

Fannie Mae will complete the following steps for the registered transaction within MSFMS upon receiving the closing confirmation:

1. entering the transaction terms on the “Deal Terms” page;
2. entering the “Collateral Group” information;
3. entering the “Fee Group” information; and
4. updating the MSFMS status of the Structured Transaction to “Approved”, which will allow the Lender to begin submitting Delivery data, including Participants, Collateral, Pool, and Loan.

For detailed guidance regarding the remittance of fees in connection with Structured Transactions, please refer to the **Fee Remittance & Updating Multifamily Structured Facility Management System** Job Aid.

IV. Commitment Process

A. MBS Mortgage Loans

For Mortgage Loans comprising the initial advance in a Credit Facility, the Lender must follow the Commitment process in DUS Gateway; for detailed guidance regarding the step-by-step process in DUS Gateway, please refer to the **Job Aid for DUS Gateway® Credit Facility Initial Advance Commitments**. In addition to obtaining an Accepted Commitment in DUS Gateway, the Lender must follow the existing process in MSFMS for Delivering these Mortgage Loans per the Delivery Process Section V. To facilitate the entry of data in MSFMS, Fannie Mae will be utilizing process automation functionality to populate some of the DUS Gateway data in MSFMS for the applicable transactions. In support of this, please refrain from creating Pool, Loan, and Collateral Records until directed by Fannie Mae.

For Bulk Deliveries, and all other Credit Facility transactions (such as Additions and Borrow-Up activity associated with existing Credit Facilities), The Lender is required to enter the applicable deal terms in the “Pool” and “Loan” pages in MSFMS (Lenders do not need to submit anything, just enter the data) within 24 hours of Rate Lock. The Lender may generate a “Structured Facility Commitment Letter” within the “Reports” section of MSFMS to provide the Lender with confirmation that the Structured Transaction in MSFMS meets the terms of the transaction as documented in MSFMS. (Note: the signed legal documents are the prevailing authority as the deal terms.) The “Structured Facility Commitment Letter” is available when the status of the MBS Pool in MSFMS is reflected as “Submitted”, “Closed”, “Closed with Differences”, or “Active”.

B. Cash Mortgage Loans and Credit Enhancement Mortgage Loans

For Cash Mortgage Loans and Credit Enhancement Mortgage Loans included in a Structured Transaction, the Lender must obtain a Commitment through C&D within 24 hours of Rate Lock by following the same process as required for standard C&D transactions with the following exceptions:

- “Commitment” page: The Lender must select “**Structured**” as the “Delivery Channel” type and enter the **MSFMS Deal ID** in the “*Structured Facility Management Deal ID*” field to associate the Commitment with the Structured Transaction registered in MSFMS. The Deal ID can be found in the top section of the “MSFMS” screen next to the Deal Name.
- “Participants” page: The Lender must enter at least one (1) Borrower record in C&D; the complete data for all deal participants must be entered separately in MSFMS.
- “Collateral” page: Property Collateral data is NOT required in C&D; the complete data for all Properties, including rent roll data, must be entered and submitted in MSFMS.

V. Delivery Process

A. General

For Structured Transactions, Delivery requires completion of the following 5 steps:

- Step 1:** Submission of Deal Participant and Collateral data via MSFMS;
- Step 2:** Electronic delivery of Property and underwriting related documents (the Delivery Documents as required under Folder II, as described in Form 6502 – Multifamily Mortgage Loan Package Table of Contents) via DUS DocWay™;
- Step 3:** For Structured ARM Loans (SARM Loans), submission of Interest Rate Cap data;
- Step 4:** Submission of Pool and Mortgage Loan data via MSFMS for MBS Mortgage Loans or submission of loan data via C&D for Cash Mortgage Loans or Credit Enhancement Mortgage Loans; and
- Step 5:** Delivery of executed Structured Transaction Loan Documents.

Note: For a Cash Mortgage Loan or Credit Enhancement Mortgage Loan, the Deal Participant, Collateral, and Hedge data (if applicable) is submitted in MSFMS only, while the applicable Cash Mortgage Loan or Credit Enhancement Mortgage Loan data is submitted in C&D only. The MSFMS Deal ID, which is entered into both C&D and MSFMS by the Lender, will link the Structured Transaction in the 2 Fannie Mae systems.

Lender Roles needed for processing in MSFMS:

- Lender Registration:
 - Register the new deal;
- Lender Collateral Analyst:
 - Creates, edits, and saves collateral;
- Lender Collateral Manager:
 - Same abilities as the Lender Collateral Analyst role; and
 - Submits collateral;
- Lender Security Analyst:
 - Creates and enters Hedge data;
 - Creates, edits, saves, and deletes any “created” Deal Participants; and
 - Creates, edits, and saves Pool and Loan Data;
- Lender Security Manager:
 - Same abilities as the Lender Security Analyst;
 - Submits Hedge data;
 - Submits Deal Participants; and
 - Submits Pool and Loan data.

B. Deal Participant and Collateral Data Delivery (Step 1)

1. Submission of Data

The Lender is responsible for entering and submitting the “Deal Participant” data and “Collateral” data (Property, underwriting, and housing goals data) into MSFMS for all Mortgage Loans delivered as a Structured Transaction. For MBS Mortgage Loans, the “Deal Participant” and “Collateral” data is submitted separately from, and in advance of, the submission of “Pool” and “Mortgage Loan” data in MSFMS (Step 4).

The Lender must complete a “Deal Participant” page in MSFMS, and submit all required data for each Borrower, Key Principal, and Sponsor (the Sponsor may be the same Person as the Key Principal), and any Principals.

Reminder: Lender roles needed are “Lender Security Analyst” (create, edit, and save) and “Lender Security Manager” (submit).

- Click on the “Deal Participants” tab.
- Click the “Add Participant” button.
- MSFMS requires at least one Sponsor, one Borrower, one Key Principal, and one Principal.
- Enter all required data.
- Reach out to the Spot mailbox (multifamily_spot@fanniemae.com) for additional guidance associated with any approved Foreign Deal Participant.
- A participant can have multiple roles.
- Click the “Submit” button once complete.

Deal Name: Jan's Test End-to-End Deal Deal ID: 42151 Deal State: Approved [Deal Summary](#)

Relationship Profile Transaction Details

Registration/Contacts Deal Terms Hedges Deal Participants Trades Financing Options Collateral

Deal Participants

1 - 3 of 3

Delete Select	Participant Name	Participant Contact Name	Sponsor	Borrower	Key Principal	Principal	Participant State
Another Participant		Ann Stevens	N	N	N	Y	Submitted
Test Borrower		Joe Smith	N	Y	Y	Y	Submitted
Test Sponsor			Y	N	N	Y	Submitted

[Add Participant](#)

2020 Fannie Mae. Release 10.0

Deal Participant Detail

Deal Participant Summary > Deal Participant Detail

Save Validate Submit Add Participant Reset

Participant Information

Participant Name

If the Participant is a Large Participant, please select from the list below

Select...

+ Deal Participant Name is required

Participant Name	Tax ID	Counterparty Type	Sponsor?	Borrower?	Key Principal?	Principal?	ACheck Results
Participant Jones	123456789	LLC	Yes	No	Yes	Yes	---

Participant State

Created

Participant Address

Address 1: 1 Main Street

Address 2:

City: Oxon Hill

State & Postal Code: MD 20745

Participant Contact Name

Jane

Single Asset Borrower? Yes

Participant Phone

111-111-1111

Foreign Borrower? No

Participant Fax

111-111-1111

Fannie Mae an investor in the borrower? + No

Save Validate Submit Add Participant Reset

© 2020 Fannie Mae. Release 10.0

Upon submission of such data, MSFMS will automatically run the ACheck process and will return a pass/fail result, which is in addition to, and not a replacement for, the ACheck process required to be completed by the Lender during underwriting.

The Lender must complete a “Collateral” page in MSFMS, and submit all required data, for each Property. This includes submitting the rent roll data by uploading the completed Multifamily Rent Roll Data Template. (Please see the “**Multifamily Rent Roll Template Lender Guidance**” job aid for detailed guidance.)

Reminder: Lender role needed is “Lender Collateral Analyst” (create, edit, and save), and “Lender Collateral Manager” (submit).

- **Click** on the “Collateral” tab.
- **Select “Property”** from the “Add New” drop down.
- **Enter** all required data.
 - Property Financial Type:
 - Base for all Multifamily Properties such as Student, Military, Manufactured Housing Community, Affordable Properties; or
 - Select “Seniors” for all Seniors Housing Properties.
 - **Substitution?** indicator should be “NO” for all Properties UNLESS the Property being added is a *Substitute* Property.
 - **Property Street Address** section must match the Property information in the Schedule of Initial Mortgaged Properties and Initial Valuation of the Multifamily Credit Facility Agreement (MCFA) as well as the Property Name; enter a single primary address in Address line 1 and leave Address line 2 blank.

- Reminder: Green Building Certification is not currently available for MSFMS transactions.
- **Underwriting** section:
 - “Original Allocable Facility Amount (\$)” value must match the “Initial Allocable Facility Amount” from the Schedule of Initial Mortgaged Properties and Initial Valuations of the MCFA; and
 - “Underwritten Property Value” must match the “Initial Valuation” amount from the Schedule of Initial Mortgaged Properties of the MCFA.
- **Housing Goals** section:
 - **Manufactured Housing Property:**
 - Number of Buildings: if the Property includes NO separate buildings such as a Management Office, then enter “1”. MSFMS requires a value in this field and “0” is not acceptable;
 - Student Housing (%), Military Housing (%) is “0.0”;
 - Elderly Property is “NO”;
 - Senior Housing Type is “Not Applicable”; and
 - Special Feature List is “414” (this is required).
 - Once 414 is selected, additional fields will populate:
 - *MH Community Type:* For-profit Owned, Non-Profit Owned, Government Owned, Resident Owned:
 - For-profit Owned:* MH Community is owned and operated by a for-profit entity, which may be publicly traded or privately held.
 - Non-profit Owned:* MHCommunity is owned and operated by a non-profit entity.
 - Government Owned:* MH Community’s majority owner is a federal, state, or local government entity.
 - Resident Owned:* MH Community is owned and operated by a legal entity of which the residents of that MH Community are the owners or shareholders. Each household holds an ownership interest in the entity, which owns the land and either manages the community or contracts with an outside management company.
 - Other:* MHCommunity’s majority owner is an entity other than those listed above.
 - *Projected Units with Tenant Site Lease Protections (%)* – Enter % of units with Tenant Site Lease Protections (the projected % of pads in the community with protections 12 months post origination) (only applicable for ‘For-profit Owned’ MHC Community Types)
 - *MHC Non-owner Occupied Units* – Enter number of units that are owned by the Borrowing Entity at time of Acquisition
 - **Student Housing Property** (Reminder: Unit count for Student properties should be based on the total number of Residential Units and not the number of beds):
 - Student Housing (%) is “100.0”;
 - Military Housing (%) is “0.0”;
 - Elderly Property is “NO”; and
 - Senior Housing Type is “Not Applicable”.

- **Military Housing Property:**
 - Student Housing (%) is “0.0”;
 - Military Housing (%) should be “100.0”;
 - Elderly Property is “NO”; and
 - Senior Housing Type is “Not Applicable”.
- **Seniors Housing Property:**
 - Student Housing (%) is “0.0”;
 - Military Housing (%) is “0.0”;
 - Elderly Property is “Yes”;
 - Senior Housing Type is either “Assisted Living” or “Other Senior Units”:
 - “Congregate Care” is no longer utilized by the Seniors team and therefore “*Both AL and CC*” is no longer an allowable value.
 - Special Needs Units:
 - Elderly Units: number of units on the property designated for the Elderly (usually the entire unit count for the Property);
 - Disable Units: number of units that are designated for the Disabled Elderly occupants; and
 - “Transitional Units” and “Preservations Units” can be left blank as these types are no longer allowable values.
- **Click “Submit”** once all the data has been entered.
 - All the information above can be completed while the deal is in “*Pending*” status. It is recommended that the data be entered as soon as available to avoid being rushed by deadlines.
 - Submission of the “Collateral” data can only be done when the Deal state is “Approved”. Also, please submit in advance of the Delivery timelines provided by your Fannie Mae Spot Analyst.

Following submission of all required data, MSFMS will reflect the collateral status as “Submitted.”

Note: The collateral submission is reviewed by the Multifamily Certification and Custody team utilizing the data entered in MSFMS, the MCFA, and the Underwriters Form 4662. Should discrepancies with data entries be discovered in MSFMS, the collateral record will be “Unlocked”, with instructions to make any adjustments necessary.

2. **Timing**

To ensure that a Mortgage Loan is Delivered to, and purchased timely by, Fannie Mae, the Lender must meet the minimum timing requirements at all stages of the Delivery process, including submission of all required data via MSFMS and C&D (as applicable), and delivery of all required documentation. All required data and documents must be submitted by 5:00 p.m. Eastern Time 10 Business Days prior to (but not including):

- the Book-Entry Date for MBS Mortgage Loans; and
- the purchase date for Cash Mortgage Loans.

Please contact the Multifamily Acquisitions Structured team for specific delivery deadlines related to Credit Enhancement Mortgage Loans that are associated with a MSFMS Structured Transaction.

C. Underwriting Documents (Step 2)

Contemporaneously with submission of the “Participant” and “Collateral” data in MSFMS, the Lender must also deliver the Property and underwriting documents by submitting Folder II via DUS DocWay™, including but not limited to, Form 4662, which will be used to review the collateral Property data submitted in MSFMS.

Form 4662 Guidance (a separate Form 4662 is required for each Property securing the Mortgage Loans being Delivered):

- “Deal name” is the deal name as reflected in MSFMS.
- “Fannie Mae Commitment number” should be left blank unless a Cash Mortgage Loan or Credit Enhancement Mortgage Loan is being Delivered.
- “Property Name” must match the Property name in the Schedule of Initial Mortgaged Properties from the MCFA.
- “Application Loan Amount” is the Initial “Allocable Facility” amount from the Scheduled of Initial Mortgaged Properties from the MCFA.
- The “Loan” section of Form 4662 should be completed for each Mortgage Loan being delivered at that time. Any remaining Form 4662 should have only the “Application Loan Amount” section completed.
- “UW LTV” may be left blank; this value will be validated via the amount entered on the “Pool” page.
- “UW EGI” value will be automatically calculated by MSFMS from entries made in the “Income” column of the “Underwriting” page.
- “UW Tot.Op.Exp” will be automatically calculated by MSFMS from entries made in the “Expense” column of the “Underwriting” page.
- “UW NCF” will be automatically calculated by MSFMS from Total EGI amount less TOE less Capital Expenditures.
- “DSCR” section should be left blank as those values will be verified with the entries made on the “Pool” page.

After the Lender has submitted “Participant” and “Collateral” data in MSFMS and delivered the Folder II documents via DUS DocWay, Fannie Mae will review the submission. If the submission is acceptable, the Multifamily Certification and Custody Team will change the status of the Property on the “Collateral” page in MSFMS to “Accepted Pending Delivery.” If there are questions or discrepancies related to the data, the Multifamily Certification and Custody Team will contact the Lender directly for resolution.

Note: Borrow Up transactions do not require any uploads to DUS DocWay™.

D. Interest Rate Hedge (Step 3)

1. Timing of Hedge Acquisition

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, Section 1205 of the Multifamily Selling and Servicing Guide (Guide), with enough time to ensure entry of the hedge data into MSFMS as described below.

2. Hedge Data (Required only for SARM Loans)

Prior to submission of the “Pool” and “Mortgage Loan” data in MSFMS (Step 4), the Lender must enter and submit the Interest Rate Hedge data for any SARM Loans in MSFMS via the “Hedge” tab.

Reminder: The Lender role needed is “Lender Security Analyst” (create, edit, and save) and “Lender Collateral Manager” (submit).

To enter the Hedge data, the Lender must complete the following steps:

- **Select** the “Hedge” tab.
- **Create** a new hedge by clicking the “Add Hedge” button.
- **Enter** the appropriate data.
- **Associate** all the Properties in the Mortgage Loan in the “Property Association” section. The Properties will need to be in an “Active” state to be populated in the drop down.
- **Click** “Submit” once all the required data has been entered.

A *Termination Edit* will fire once the Hedge is submitted. Note that MSFMS is calculating to the exact date from the *Effective Date* to the *Termination Date* (i.e., *Effective Date* is 05/08/2020 and *Termination Date* is 06/01/2025). The edit will state that the *Termination Date* should be 05/08/2025. Provided the *Termination Date* entered matches the *Rate Cap Agreement*, the edit can be ignored.

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 that corrections must be made. If no discrepancies are noted, Fannie Mae will change the status from “Submitted” to “Active” to activate the hedge in MSFMS.

The screenshot shows the "Hedge Details" form in MSFMS. The form is titled "Hedge Details" and has a breadcrumb "Hedges > Hedge Details". At the top, there are buttons for "Save", "Validate", "Submit", and "Reset". The form is divided into several sections:

- Hedge Identifier:** 2569
- Hedge State:** Created
- Hedge Type:** + Select... (highlighted with a red box)
- Effective Date:** + [text input] (highlighted with a red box)
- Term (months):** + [text input]
- Type of Index:** + Select... (highlighted with a red box)
- Termination Date:** + [text input] (highlighted with a red box)
- Strike Rate (%):** + [text input]
- Required DSCR at Strike Rate:** [text input]
- Fannie Mae Credit Enhancement Rate (%):** [text input]
- Provider:** + Select... (highlighted with a red box). Below it, "If not Fannie Mae Approved:" [text input]
- Property Association(s) (Select All Applicable):** + There are no associated properties for this deal. (highlighted with a red box)
- Original Notional Amount (\$):** + [text input]
- Notional Amount Amortize?:** + Select... (highlighted with a red box)
- Escrow Required:** Select... (dropdown)
- Required Escrow (%):** [text input]
- Escrow Revalue Frequency:** Select... (dropdown). Below it, "If Other:" [text input]
- Subsequent Hedge Required?:** + Select... (highlighted with a red box)
- Lender Comments:** [text area]
- Fannie Mae Comments:** [text area]

At the bottom of the form, there are buttons for "Save", "Validate", "Submit", and "Reset". The "Submit" button is highlighted with a red box.

E. Pool and Mortgage Loan Data Submission (Step 4)

1. MBS Mortgage Loans

(a) Data Submission

For each MBS Mortgage Loan in a Structured Transaction, the Lender must create an MBS Pool in MSFMS no later than 10 Business Days prior to (but not including) the Book-Entry Date of the MBS. Once the MBS Pool is created, the Lender will receive in MSFMS the Fannie Mae Pool Number and the CUSIP number that uniquely identifies the MBS Pool for book-entry purposes.

Reminder: Lender role needed is “Lender Security Analyst” (create, edit and save) and “Lender Security Manager” (submit).

- Click on the “Financing Options” tab.
- Click on the Popup Calendar to select a Book-Entry Date. A valid Book-Entry Date will be in Blue and then select “Open”.
- Choose “MBS” as the “Execution” type on the next page.
- Click on the Pool number to be taken to the “Pool” page:
 - Combined LTV: this value should be calculated using all the debt (existing and new) with all the Property collateral values (existing and new).
 - If delivering multiple Mortgage Loans at the same time, then the Combined LTV value should be the same on each Mortgage Loan.
 - If Properties have been revalued for Borrow Up or Property Addition transactions, then use the new approved Property values to compute this value.
 - “UW NCF DSCR at Facility” is ALWAYS populated.
 - “UW NCF DSCR IO at Facility” is only populated if any Mortgage Loans are (i) Partial Interest-Only (“IO”) that are still in the IO period, and (ii) full term IO.
 - NCF Amounts used in the calculation should come from the “Collateral Summary” page of MSFMS.
 - If Properties have been revalued for Borrow Up or Property Addition transactions, then use the approved updated NCF amounts in the DSCR calculation.
 - Use the current monthly payments that are due in the same month of the Book Entry Date for existing Mortgage Loans when calculating annualized payment for any existing Mortgage Loan.
 - Utilize this chart to calculate the annualized payment for New and Existing Mortgage Loans for the UW NCF at Facility Calculation:

CALCULATION OF Annualized DEBT SERVICE TO BE USED FOR UW NCF DSCR IO at Facility (only populate when partial IO loans are still in the IO period)

Interest Type	Existing Loan		New Loan	
	Principal Payment	Interest	Principal Payment	Interest Payment
Fixed Rate, Amortizing	Original P&I Due Fannie Mae X 12		Original P&I Due to Fannie Mae X 12	
Fixed Rate, Partial IO	Current Interest Payment as shown in the servicing system X 12		Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100	
Fixed Rate, Full IO	Current Interest Payment as shown in the servicing system X 12		Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100	
Variable Rate, Amortizing	(Structured ARM Principal Payment Per Fannie Mae Participation X 12) plus (Current Interest Payment as shown in the servicing system X 12)		(Structured ARM Principal Payment Per Fannie Mae Participation X 12) plus (Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100)	
Variable Rate, Partial IO	Current Interest Payment as shown in the servicing system X 12		Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100	
Variable Rate, Full IO	Current Interest Only Payment from servicing system X 12		Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100	

- o Utilize this chart to calculate the annualized payment for New and Existing Mortgage Loans for the UW NCF IO at Facility Calculation:

CALCULATION OF Annualized Payments of DEBT SERVICE TO BE USED FOR UW NCF DSCR at Facility

Interest Type	Existing Loan		New Loan	
	Principal Payment	Interest Payment	Principal Payment	Interest Payment
Fixed Rate, Amortizing	Original P&I Due Fannie Mae X 12		Original P&I Due to Fannie Mae X 12	
Fixed Rate, Partial IO	Maximum Monthly Payment Per FM Participation X 12		Maximum Monthly Payment Per FM Participation X 12	
Fixed Rate, Full IO	Current Interest Only Payment as shown in the servicing system X 12		Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100	
Variable Rate, Amortizing	(Structured ARM Principal Payment Per Fannie Mae Participation X 12) plus (Current Interest Payment as shown in the servicing system X 12)		(Structured ARM Principal Payment Per Fannie Mae Participation X 12) plus (Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100)	
Variable Rate, Partial IO	(Structured ARM Principal Payment Per Fannie Mae Participation X 12) plus (Current Interest Payment as shown in the servicing system X 12)		(Structured ARM Principal Payment Per Fannie Mae Participation X 12) plus (Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100)	
Variable Rate, Full IO	Current Interest Only Payment as shown in the servicing system X 12		Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100	

- Complete the remainder of the required entries on the page and click “Save”.
 - Click at Loan to be taken to the “Loan” page.
 - “Tier Drop Eligible” must be “NO”, as Credit Facilities are not Tier Drop Eligible.
 - “Fannie Mae Participation” must ALWAYS be “100”, unless otherwise instructed.
 - “Green Financing” should be left blank as this is no longer available for Credit Facilities.
 - Once all the data is populated, click “Save”.
 - Prior to submitting MBS Pool data, the Lender must address all MSFMS system business rules by “validating” the data which will identify any errors or discrepancies between the entered data and the allowable terms.
 - Certain additional edits will fire because of the status of other records submitted in MSFMS:
 - New Deal edits such as *DSCR cannot be calculated at this time* and the *Fee Group must be associated to one collateral in an Active, Release Requested or Release Pending state*: These edits are firing because the collateral has not been activated at the time of submission. The user may continue with “Submit for Review” Securitization as these edits will clear when the collateral becomes active.
 - Edits associated with Borrow-Up and Property Addition transactions are often related to LTV calculations. Updated Property values may not be reflected as such in MSFMS due to timing considerations; if the approved, updated values were used in your calculation, the edit may be ignored, and the user may continue with a “Submit for Review” as these edits are waivable.
 - When data entry and validation is complete, click either “*Submit*” for *Securitization* or “*Submit for Review*”. In the event of a “*Submit for Review*”, please enter a comment that speaks to the edits.

The Lender must submit the MBS Pool data necessary for securitization, via MSFMS, no later than 5:00 p.m. Eastern Time at least 10 Business Days prior to (but not including) the Book-Entry Date.

For MBS Mortgage Loans (other than those Mortgage Loans delivered using the Same Month Pooling option), the Book-Entry Date must be before the first scheduled monthly payment date of the Mortgage Loan, and the first monthly payment to the MBS Investor is the first monthly payment due under the Mortgage Loan. For example, with a first monthly payment date of May 1 for the Mortgage Loan, the Book-Entry Date must occur no later than April 30 (with the first payment due to the MBS Investor in May).

(b) Correcting Data Submissions

If the Lender believes that a discrepancy or error message generated by MSFMS is related to a waiver that Fannie Mae has approved or if the Lender believes the data to be correct, the user may submit for securitization as a “submit for review” and provide an explanation of the issue. The Multifamily Acquisitions Structured Team will review the submission, and either override the “error” or return the MBS data submission to the Lender for correction. If returned to the Lender for correction, the Lender must

revise the MBS data accordingly and again “submit for securitization”.

Once the MBS pool is in a “Submitted” state and a discrepancy is found during a Certification review and/or the Lender realizes any of the submitted data is incorrect, then an email request must be sent to msfms_pool_changes@fanniemae.com with a copy to multifamily_spot@fanniemae.com, requesting a change. The subject line should read: “MSFMS Change Needed” with the deal name and MBS Pool number. The body of the email should include the following information:

- Deal name;
- Deal ID;
- MBS Pool Number;
- Change Type: Update Pool page or Update Loan page;
- Field name that requires the change;
- Current data for that field in MSFMS; and
- Data with which the field should be changed.

(c) Wiring and Delivery Instructions; Purchase

On the Book-Entry Date, Fannie Mae will issue and deliver the MBS electronically through the Federal Reserve book-entry system in accordance with the wiring instructions provided by the Lender in MSFMS. The wiring instructions can be changed in MSFMS after the MBS has been submitted for securitization up to the Book entry Date. Any changes required must utilize the data change request process referenced above. The Lender’s MSFMS submission must include complete and accurate wiring instructions for the Security as well as the correct amount to be wired.

Note: The Account ID field has a character limit; if your Account ID will not fit in this field, please input the entire Account ID in the “Lender Comments” section of the “Pool” page.

(d) Funding Paths

The Lender may submit wiring instructions in MSFMS for delivery of the MBS via the Federal Reserve book-entry system either to the Lender’s own account or to the account of the Lender’s designee. In a separate transaction (not via MSFMS), the Lender or the Lender’s designee will then deliver the MBS to the MBS Investor, also via the Federal Reserve book-entry system. The Federal Reserve will simultaneously credit the MBS Investor’s account with the MBS, debit the MBS Investor’s account for cash, and credit the MBS proceeds to the Lender.

The Lender may also opt to submit wiring instructions for delivery of the MBS directly to the MBS Investor’s account. In such event, upon receipt of the MBS, the MBS Investor will wire payment to the Lender in accordance with previously agreed terms.

2. **Cash Mortgage Loans**

(a) **Data Submission**

For Cash Mortgage Loans originated in connection with a Structured Transaction, the Lender must submit the required loan data in C&D no later than 10 Business Days prior to (but not including) the purchase date of the Cash Loan. The Lender should follow the same process as required for non-Structured Transactions, with the following exceptions:

- “Collateral” page: No data needs to be entered on this page at the time of submission of the Mortgage Loan for purchase by Fannie Mae. Instead, the complete Property and underwriting data, including the rent roll data submission, is entered in MSFMS.
- “Hedge” page: Instead of completing the “Hedge” tab in C&D, the Lender will enter the hedge data in MSFMS.

(b) **Payee Codes; Purchase**

For Cash Mortgage Loans, the Lender must enter in C&D the payee code associated with the specific Lender account at the institution to which the loan proceeds are to be wired. If requested, Fannie Mae will assign wire transfer payee codes for your Cash Mortgage Loan proceeds. Each payee code is associated with a specific account and financial institution. Lenders may not transfer codes between your accounts or with other Lenders. Please refer to the Seller’s Designation of Wire Transfers Instructions (Form 482) and Certificate of Authority, Incumbency, and Specimen Signatures (Form 360) for payee code information.

For Cash Mortgage Loans, Fannie Mae will:

- purchase the Mortgage Loan 48 hours after completing the certification process, or requested purchase date if beyond 48 hours;
- wire the purchase amount via the wiring instructions submitted in C&D;
- disburse funds according to the timing [requested/approved] herein and to the payee codes submitted in C&D; and issue a detailed electronic purchase advice (for each Mortgage Loan) that lists components of the net disbursement, including purchased principal, any accrued interest, prepaid interest, or returned fees.

3. **Credit Enhancement Mortgage Loans**

For a Credit Enhancement Mortgage Loan involving the credit enhancement of a bond transaction that is originated in connection with a Structured Transaction, the Lender must submit the required bond and loan data in C&D. Please contact the Multifamily Acquisitions Structured Transactions team for timing and requirements associated with your specific transaction, as the timing requirements for delivery and purchase of Credit Enhancement Mortgage Loans is often different than for standard MBS and Cash Mortgage Loans.

F. **Delivery of Executed Structured Transaction Loan Documents (Step 5)**

Fannie Mae’s designated outside counsel will deliver the final, executed Structured Transaction Loan Documents (Folder I) to Fannie Mae’s Multifamily Certification and Custody Team. The Lender and the Lender’s counsel must work

with Fannie Mae's outside counsel to ensure that all Structured Transaction Loan Documents are complete and properly executed in advance of delivery to Fannie Mae, allowing enough time to ensure that the Folder I documents are received by Fannie Mae by the timing requirements above.

VI. MBS Disclosure

Fannie Mae uses a standard disclosure when the MBS is issued that includes the Multifamily MBS Prospectus and an Annex A. Data entered in MSFMS will be utilized to populate the disclosure documents, so please ensure that all information is complete and accurate.

Lenders may access the current Multifamily MBS Prospectus documents at www.FannieMae.com that contain information for Investors, including:

- a general description of Fannie Mae's multifamily mortgage business;
- disclosure of general risk factors related to the MBS;
- the types of multifamily mortgage loans that Fannie Mae securitizes; and
- the types of properties that secure multifamily mortgage loans.

MSFMS automatically flags Additional Disclosure for all Structured Transactions, so the Lender does not need to specifically indicate that Additional Disclosure is required.

Fannie Mae will post the Multifamily MBS Prospectus and Annex A on DUS Disclose at least 2 Business Days before the MBS Book-Entry Date.

The Lender must:

- Review the Multifamily MBS Prospectus and Annex A (and, for Additional Disclosure, any Addendum to the Prospectus and/or footnote to the Annex A); and
- Notify Fannie Mae of any inaccuracies before the Book-Entry Date.

The Annex A that is sent for review and approval is primarily populated with data coming from MSFMS. Frequently asked questions regarding Annex A data include:

- "Pool" tab:
 - The MBS First Payment date doesn't match the first payment date listed on the "Loan" page of MSFMS, why not? The MBS First Payment date is the date of the first payment made to the Investor and not the first payment made by the Borrower.
- "Loan" and "Property" tabs:
 - I am unable to calculate the values in the Loan Issuance UPB/Unit field, how is this being calculated? This field is calculated by the DUS Disclose™ system which has been tested and is performing as expected.
 - Shouldn't the Property value as of Date be the Appraisal date? MSFMS does not have a separate field to capture the Appraisal date for the property; therefore, the date the Property is Activated in MSFMS becomes the property value as of date.
 - Why are the UW EGI and UW TOE field blank? These fields are expected to be blank and only the total UW NCF is populated.

- Shouldn't Cross Collateralized and Cross Defaulted field state Yes, as this a Credit Facility? These fields are expected to say N when it's a new deal and only 1 Pool and Loan are being issued as the initial advance. The value in these fields will change to Y at the next advance.

VII. Additional Activity/Features of Structured Transactions

A. Collateral Activity

If permitted by the terms of the Structured Transaction Approval and the related Structured Transaction Loan Documents, the collateral activity below may be available for a Structured Transaction.

A collateral addition, release, and substitution will occur under the initial MSFMS Deal ID and the Lender does not need to create a new transaction in MSFMS.

1. **Collateral Addition - Add New Collateral to an Existing Structured Transaction**

To add a Property as collateral in a Structured Transaction, the Lender must submit a request to the Fannie Mae Deal Team. The Fannie Mae Deal Team will determine whether the conditions to a Property Addition set forth in the Structured Transaction Loan Documents have been satisfied. Upon receipt of the Structured Transaction Approval from Fannie Mae approving the addition, the Delivery process for a collateral addition is the same as the Delivery process described above in the Deal Participants and Collateral Data Delivery section of this job aids for new Structured Transactions. Review the Approval and applicable loan documents, such as the MCFA and MATS Addendum to confirm any fees due.

2. **Collateral Release - Request a Release of Collateral from an Existing Structured Transaction**

To release a Property from a Structured Transaction, the Lender must submit a request to the Multifamily Structured Asset Management Team pursuant to Part V, Section 416.

The Multifamily Structured Asset Management Team will determine whether the conditions to the release set forth in the Structured Transaction Loan Documents have been satisfied. Upon receipt of the Structured Transaction Approval from Fannie Mae approving the release and the closing of the release, the Lender must change the collateral status in MSFMS to "release requested." A release fee may be due under the Structured Transaction Loan Documents, the Structured Transaction Approval, or the MATS Addendum. The Lender must remit any applicable release fee within 1 Business Day of closing and releasing the collateral. In the event the Lender needs to change the release date, the Lender must notify the Multifamily Structured Asset Management Team as well as the Multifamily Acquisitions Structured Team.

- If a release of collateral requires a paydown, then the Lender must submit a Payoff Request in the Payoff Calculator upon receipt of the Structured Asset Management approval. The Lender must ensure the Mortgage Loan is marked as being in a Structured Transaction. The standard turnaround time for Service Level Agreement (SLA) approval is 6 business days after submission.
- Requesting release of collateral in MSFMS should only be done once the closing has been confirmed for the release of the Mortgaged Property.
- **Reminder:** Lender Collateral Manager role is needed to complete the release of collateral in MSFMS:
 - Click on the "Collateral Tab" of MSFMS;

- o Click on the “Release Collateral” button;
- o Select “Release Request” from the “Collateral State” drop down for the collateral that requires release;
- o Enter the date your requesting release of the Property in the “Pending Release Date”;
- o Enter a comment in the “Comments” section such as “Paydown/Payoff occurred on 5/8/2020”; and
- o Click “Save” to complete the process. The collateral state should say “Release Requested” once complete.

3. Collateral Substitution - Substitute Collateral into an Existing Structured Transaction

A substitution is a combination of a collateral release and a collateral addition. The request for substitution of a Property must be submitted to the Multifamily Structured Asset Management Team as set forth in Part V, Section 416 of the Guide. Fannie Mae will determine whether the conditions to the substitution as set forth in the Structured Transaction Loan Documents have been satisfied. If approved, the Lender must follow the process described above for delivering collateral data for collateral additions and the release of existing collateral within MSFMS. In some cases (if provided for in the Structured Transaction Loan Documents), a delayed substitution (referred to as a Staggered Substitution) may be permitted by Fannie Mae. Upon the release of Property collateral, the Lender must post cash, a Letter of Credit, or other permitted replacement collateral as set forth in the Structured Transaction Loan Documents until an acceptable new Property is substituted as collateral. In any event, the new collateral must be added within 90 days or some other agreed upon timeframe as set forth in the Structured Transaction Approval or the Structured Transaction Loan Documents. A substitution fee (or an addition fee and release fee) may be due in accordance with the Structured Transaction Loan Documents, the Structured Transaction Approval, and/or the MATS Addendum.

- Staggered Substitutions require the submission of a Substitution Deposit request of confirmation. This document should be in the form of a manual payoff calculation. The MCFA will provide instructions regarding the amounts that make up the Substitution Deposit amount. Once the substitution deposit amount is finalized, send your calculations to multifamily_spot@fanniemae.com as Fannie Mae must confirm the calculations.
- The Fannie Mae Spot Analyst working on the transaction will then forward the final substitution deposit confirmation to you, as well as the designated outside counsel handling the transaction.
- Upon receiving closing notification, the Lender will need to submit a Cash Collateral record in MSFMS that will act as a replacement for the collateral being substituted amount.
- Submitting a Cash Collateral in MSFMS:
 - o Navigate to the “Collateral” tab and select “Other” from the “Add New” drop down;
 - o “Collateral Value” and “Collateral Group Value” should be the amount of the Staggered Substitution Deposit Amount;
 - o “Other Collateral Type” should be “Cash”;
 - o “Collateral Description” should be “Sub Col” (Property name being released, as much as can fit);
 - o “Collateral Provider” name is the Lender name;
 - o “Collateral Backer Tax ID” is the Lender Tax ID;
 - o “Collateral Purpose” is “Substitution”;
 - o “Collateral Expiration” date is the Property deadline pursuant to the Substitution Deposit Confirmation;

- Click “Submit” once all the data is complete; and
- Request Release of the collateral being substituted following the steps in the “Collateral Release” section above.

B. Conversion to Fixed Rate

Certain SARM Loans may be converted to fixed rate Mortgage Loans subject to the provisions of the Structured Transaction Loan Documents. The request for the conversion must be submitted to the Multifamily Structured Asset Management team.

Upon approval from the Structured Asset Management team, the Lender must follow the instructions above in the Pool and Loan section to submit a Fixed Pool. Following that, the Lender will need submit a Payoff Request in the Payoff Calculator for the payoff of the SARM Loan.

C. Borrow-Up Approval and Funding

If permitted under the Structured Transactions Approval and the Structured Transaction Loan Documents, the Borrower may request additional loan proceeds without adding additional collateral. In such case, the Lender must submit a request as set forth in Part V, Section 416. The funding of any additional Mortgage Loan proceeds will follow the process set forth here for new Mortgage Loans. An origination fee may be due under the Structured Transaction Loan Documents, the Structured Transaction Approval, or the MATS Addendum.

In addition to the activities noted above, Part V of the Guide addresses other asset management decisions and actions that may require the Lender to deliver documents and/or data to Fannie Mae.

Upon approval of those decisions and actions referenced in Part V of the Guide, the Lender must complete the following asset management actions, as applicable, to complete or update the transaction:

- For Delivery of new or modified Structured Transaction Loan Documents, the requirements noted above apply;
- For transfers or assumptions, the Lender must submit new deal participant data in accordance with the requirements noted above;
- For renewal, replacement, or modification of an Interest Rate Hedge, the Lender must enter the new data into MSFMS in accordance with the requirements noted above, and the terms and conditions for any such renewal, replacement, or modification will be set forth in the Structured Transaction Approval; and
- For any other activities relating to a Structured Transaction, the Lender must follow the terms and conditions set forth in the Structured Transaction Approval and may contact the Multifamily Acquisitions Structured Team for assistance.

VIII. Contact Information

Team	Email
Multifamily Acquisitions Structured Team	multifamily_spot@fanniemae.com
Data Change Team	msfms_pool_changes@fanniemae.com
Certification & Custody Team	MultifamilyCertification-Group- FWD@fanniemae.com
Multifamily Disclosure	mfmbbs_disclosureqa@fanniemae.com
DUS DocWay	DUSDocWay_Support@fanniemae.com
Capital Markets Operations	capmktops_settlements@fanniemae.com