



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of April 5, 2024

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Summary of Changes

HIGHLIGHTS
Effective for Mortgage Loans Committed as of April 5, 2024 , implemented a new Commitment process for MBS Mortgage Loans in a Credit Facility's initial advance.

Primary Changes

Added a new Commitment process in Part VI, Chapter 6: Structured Transactions, Section 603: Commitment for MBS Mortgage Loans in a Credit Facility's initial advance. Before originating the Mortgage Loan, you must:

- comply with the
 - Job Aid for DUS Gateway Credit Facilities Commitment, and
 - MSFMS Job Aid; and
- use DUS Gateway to
 - obtain a Commitment, and
 - receive an Authorization to Close.

Questions

Please contact Elizabeth Redmond at elizabeth_a_redmond@fanniemae.com with any questions.



Chapter 6 Structured Transactions

Section 601 Registration

Requirements

Using your [Negotiated Seller Number](#), you must register each Structured Transaction in

- [DUS Gateway](#), and
- [MSFMS](#) per the [MSFMS Job Aid](#).

Section 602 Approval

602.01 Approval Documents

Operating Procedures

Fannie Mae will issue a [Structured Transaction Approval](#) outlining the terms and conditions governing the Structured Transaction including pricing and certain fees.

602.02 Expiration Dates

Operating Procedures

You must contact the [Fannie Mae Deal Team](#) to modify any expiration date in the [Structured Transaction Approval](#).

602.03 Fees

Operating Procedures

The [Structured Transaction Approval](#) outlines all fees and payment due dates.

By each payment due date you must

- wire the fee to Fannie Mae, or
- have it drafted, if instructed by Fannie Mae.

602.04 Rate Lock



✦ Operating Procedures

You must obtain a Rate Lock:

- comply with Part IV, Chapter 2: Rate Lock and Committing, Section 201: Pre-Commitment; and
- obtain a Rate Lock for the Structured Transaction per
 - Part IV, Chapter 2: Rate Lock and Committing, Section 202: Obtaining a Rate Lock, and
 - the Structured Transaction Approval.

for the Structured Transaction per Part IV, Chapter 2: Rate Lock and Committing and the Structured Transaction Approval.

602.05 Loan Documents

✦ Operating Procedures

The Fannie Mae Deal Team will give you the name and contact information for your assigned internal and outside counsel.

Fannie Mae's outside counsel will prepare all Structured Transaction Loan Documents.

Section 603 Commitment

603.01 Generally

Requirements

You must certify that all data submitted is accurate and fairly represents the terms of

- the Mortgage Loans for the requested Commitments, and
- any associated MBS.

603.01 MBS Mortgage Loans

603.02

Requirements



You must ensure the DUS Gateway “Authorization to Close” status is “Authorized” before originating an MBS Mortgage Loan for any part of a Credit Facility's initial advance.

Operating Procedures

For MBS Mortgage Loans in Structured Transactions are managed in MSFMS Credit Facility, no Commitment is required you must:

- comply with the
 - Job Aid for DUS Gateway Credit Facilities Commitment, and
 - MSFMS Job Aid; and
- follow the DUS Gateway process to
 - obtain a Commitment, and
 - receive an Authorization to Close.

DUS Gateway Process		
Steps	You must...	Multifamily Structured Acquisitions will...
1	<ul style="list-style-type: none">• <u>Select the "Credit Facility Module".</u>• <u>Navigate to the "Rate Lock/Commitment" page.</u>	
2	<p><u>Within 1 Business Day after obtaining the Rate Lock, enter and save all Rate Lock data for each MBS Mortgage Loan in the Credit Facility's initial advance by:</u></p> <ul style="list-style-type: none">• <u>identifying the applicable "Loan Option"; and</u>• <u>selecting "Log Rate Lock/Commitment".</u>	<p><u>Set the "Rate Lock/Commitment" status for each Mortgage Loan to "Draft".</u></p>



DUS Gateway Process		
Steps	You must...	Multifamily Structured Acquisitions will...
<u>3</u>	<ul style="list-style-type: none"> • <u>Confirm all Rate Lock data for each MBS Mortgage Loan in the Credit Facility's initial advance was correctly entered.</u> • <u>Select "Finish Rate Lock/Commitment".</u> 	<ul style="list-style-type: none"> • <u>Change the "Rate Lock/Commitment" status for each Mortgage Loan to:</u> <ul style="list-style-type: none"> - <u>"Accepted", if all validations pass; or</u> - <u>"Submitted for Review", if a review is required.</u> • <u>For all Mortgage Loans "Submitted for Review":</u> <ul style="list-style-type: none"> - <u>change the "Rate Lock/Commitment" status to:</u> <ul style="list-style-type: none"> ▪ <u>"Accepted", if no further action is required; or</u> ▪ <u>"Draft", if corrections are required; and</u> - <u>notify you via email to revise and resubmit any "Rate Lock/Commitment" with a "Draft" status.</u>
<u>4</u>	<ul style="list-style-type: none"> • <u>Identify each "Rate Lock/Commitment" status as</u> <ul style="list-style-type: none"> - <u>"Accepted", or</u> - <u>"Draft".</u> • <u>Revise and resubmit any Mortgage Loan "Rate Lock/Commitment" with a "Draft" status.</u> 	<p><u>Change the "Rate Lock/Commitment" status to "Accepted" after all validations pass.</u></p>



DUS Gateway Process		
Steps	You must...	Multifamily Structured Acquisitions will...
<u>5</u>	<p>On the "Final Underwriting" page, for each Property, either:</p> <ul style="list-style-type: none">• upload data for<ul style="list-style-type: none">- underwriting,- underwritten value, and- income and expenses; or• manually enter the underwriting data.	



DUS Gateway Process		
Steps	You must...	Multifamily Structured Acquisitions will...
<u>6</u>	<p>On the "Credit Facility Checks" page for each MBS Mortgage Loan:</p> <ul style="list-style-type: none">• enter the final "Mortgage Loan Amount";• by entering the final "Mortgage Loan Amount", you acknowledge it:<ul style="list-style-type: none">- includes any Delivery Tolerance per Part IV, Chapter 4: Delivery, Section 405.01: Acceptability and Delivery Tolerance; and- equals the Delivered Mortgage Loan Amount;• if the rate is variable, enter the:<ul style="list-style-type: none">- "Final Fixed Rate Equivalent Interest Rate";- "Final Cap Cost Factor"; <p>and</p> <ul style="list-style-type: none">- "Final Structured ARM Principal Payment"; and • run and save the Credit Facility Checks to:<ul style="list-style-type: none">- validate the submission; <p>and</p> <ul style="list-style-type: none">- populate the Credit Facility Underwriting and Disclosure calculations.	



DUS Gateway Process		
Steps	You must...	Multifamily Structured Acquisitions will...
7	<p>On the "Authorization to Close" page, for each MBS Mortgage Loan:</p> <ul style="list-style-type: none">• select your Fannie Mae Seller Number from the dropdown menu;• select "Prepare Authorization to Close";• review the data;• check the "Lender Certification" box; and• select "Confirm Authorization to Close".	<p>Change the "Authorization to Close" status to "Authorized".</p>

→ Guidance

Once the Commitment status is "Accepted", you may print a Commitment Confirmation.

Throughout the process, to resolve any data discrepancies or issues, you may use the Case Management function to request assistance from the

- Fannie Mae Deal Team, or
- Multifamily Structured Acquisitions team.

MBS Mortgage Loans in a Bulk Delivery are managed in MSFMS; no Commitment is required.

603.02 Cash Mortgage Loans

603.03

Requirements

For Cash Mortgage Loans in a Structured Transaction, you must obtain a Commitment through C&D per Part IV, Chapter 2: Rate Lock and Committing, except for the following entries:



C&D Page	Entry
Commitment	<ul style="list-style-type: none">• Select “Structured” as the “Delivery Channel Type”.• Enter the MSFMS Deal ID in the “Structured Facility Management Deal ID” field.
Participants	<ul style="list-style-type: none">• Enter at least 1 Borrower record.• Enter complete data for all deal participants separately in MSFMS.
Collateral	None, this information is entered in MSFMS .

Section 604 Delivery

604.01 Delivery Process

Requirements

You must complete all 5 steps and submit all required data and documents by 5:00 p.m. Eastern Time, no later than 10 Business Days before (and not including) the

- purchase date for [Cash Mortgage Loans](#), or
- [Book-Entry Date](#) for [MBS Mortgage Loans](#).

To [Deliver](#) the Structured Transaction, comply with the [MSFMS Job Aid](#) and follow these 5 steps in order:

Step 1: Submit Deal Participant and Collateral Data.

Step 2: Deliver Property and Underwriting Documents.

Step 3: Submit SARM Loan Interest Rate Cap Data.

Step 4: Submit Pool and Mortgage Loan Data.

Step 5: Deliver Executed Structured Transaction Loan Documents.

Operating Procedures



Step	You must...
1	<p>Submit all required deal participant and collateral data in MSFMS. On the:</p> <ul style="list-style-type: none">• Deal Participant page, submit data for each<ul style="list-style-type: none">- Borrower,- Key Principal,- Guarantor,- Sponsor (which may be the same as the Key Principal), and- Principal; and• Collateral page, submit data for each Property, including the rent roll.
2	<p>Deliver Property and Underwriting Documents in Folder II via DUS DocWay per Part IV, Chapter 4: Delivery, Section 402: Submission when you submit deal participant and collateral data in MSFMS (Step 1).</p>
3	<p>Submit any SARM Loan Interest Rate Cap Data in MSFMS.</p>



Step	You must...
4	<p>Submit Pool and Mortgage Loan Data:</p> <ul style="list-style-type: none">• For each MBS Mortgage Loan you must:<ul style="list-style-type: none">- Create an MBS Pool in MSFMS. MSFMS will assign a Fannie Mae Pool Number and CUSIP number that uniquely identifies the MBS Pool for book-entry purposes.- Complete the necessary fields on the MSFMS “pool” and “loan” pages.- Comply with Part IV, Chapter 4: Delivery, Section 405.01: Acceptability and Delivery Tolerance for the Mortgage Loan’s first scheduled monthly payment date.- Ensure your MSFMS submission includes<ul style="list-style-type: none">▪ complete and accurate wiring instructions for the Security, and▪ the correct amount to be wired.- Address all MSFMS system business rules by validating the data to identify any errors or discrepancies between the entered data and the allowable terms.• For a Cash Mortgage Loan, you must:<ul style="list-style-type: none">- Comply with Part IV, Chapter 5: Purchase unless this Chapter specifies otherwise.- Submit the required data in C&D.- Comply with Part IV, Chapter 4: Delivery, except you must not complete the:<ul style="list-style-type: none">▪ Collateral page - enter all property, underwriting, and rent roll data in MSFMS; or▪ “hedge” tab - enter cap data into MSFMS.• Include the Fannie Mae payee code for your Cash Mortgage Loan proceeds.
5	<p>Coordinate with your counsel and Fannie Mae’s outside counsel to timely Deliver</p> <ul style="list-style-type: none">• individual transactions, and• fully executed Structured Transaction Loan Documents.



→ Guidance

On the **Book-Entry Date**, Fannie Mae will electronically issue and deliver the **MBS** through the Federal Reserve book-entry system using

- 1 of the delivery scenarios per **Part IV, Chapter 5: Purchase, Section 503: Third Party MBS Investor Delivery Scenarios**, and
- your wiring instructions.

You cannot change the wiring instructions in **MSFMS** after the **MBS** has been submitted for securitization.

604.02 MSFMS Data Errors

✦ Operating Procedures

To address **MSFMS** errors:

Timing	Action
Before Submission	<p>If you believe</p> <ul style="list-style-type: none">• the data is correct, or• a message is related to information Fannie Mae approved,<ul style="list-style-type: none">- select the “submit for review” system status, and- explain the issue. <p>Multifamily Structured Acquisitions will review the submission and will</p> <ul style="list-style-type: none">• override the error, or• return it to you to revise and resubmit with a “submitted” status.
After Submission	<p>Email Multifamily Structured Acquisitions with the subject line “Deal Name – MSFMS Data Change Request,” if you</p> <ul style="list-style-type: none">• made an error, or• believe the data is incorrect after the MSFMS status is “submitted”.



Section 605 MBS Disclosure

Operating Procedures

MSFMS automatically flags all MBS in Structured Transactions for Additional Disclosure. You must disclose all required information per Part IV, Chapter 5: Purchase, Section 504: MBS Mortgage Loan Disclosure.

Section 606 Features and Activities

606.01 Process

Operating Procedures

When adding, releasing, or substituting collateral:

- do not create a new transaction in MSFMS (the activity will occur under the original MSFMS Deal ID); and
- comply with the Structured Transaction Approval timing requirements.

Features and Activities		
Activity	You must...	Process
Collateral Addition: adding new collateral to an existing Structured Transaction	Submit a request to the Fannie Mae Deal Team.	<p>Step 1: Fannie Mae Deal Team will</p> <ul style="list-style-type: none"> • determine if the Property addition complies with the Structured Transaction Loan Documents, and • send you a response. <p>Step 2: If you receive a Structured Transaction Approval, you must</p> <ul style="list-style-type: none"> • comply with Part IV, Chapter 6: Structured Transactions, Section 604: Delivery, and • pay any applicable fees per the Structured Transaction Loan Documents or the Structured Transaction Approval.



Features and Activities		
Activity	You must...	Process
Collateral Release: releasing collateral from an existing Structured Transaction	Submit a request to Multifamily Structured Asset Management per Part V, Chapter 4: Asset Management: Loan Document Administration, Section 416: Credit Facilities and Bulk Deliveries .	<p>Step 1: Multifamily Structured Asset Management will</p> <ul style="list-style-type: none"> • determine if the Property release complies with the Structured Transaction Loan Documents, and • send you a response. <p>Step 2: If you receive a Structured Transaction Approval, you must:</p> <ul style="list-style-type: none"> • change the MSFMS collateral status to “release requested”; • pay any applicable fees per the Structured Transaction Loan Documents or the Structured Transaction Approval within 1 Business Day after closing and releasing the collateral; and • notify Multifamily Structured Asset Management and Multifamily Structured Acquisitions if you need to change the release date.



Features and Activities		
Activity	You must...	Process
<p>Collateral Substitution: adding and releasing collateral in an existing Structured Transaction</p>	<p>Submit a request to Multifamily Structured Asset Management per Part V, Chapter 4: Asset Management: Loan Document Administration, Section 416: Credit Facilities and Bulk Deliveries.</p>	<p>Step 1: Fannie Mae Deal Team will</p> <ul style="list-style-type: none"> determine if the Property substitution complies with the Structured Transaction Loan Documents, and send you a response. <p>Step 2: If you receive a Structured Transaction Approval, you must comply with both the Collateral Addition and Collateral Release processes in this table.</p> <p>Step 3: If Fannie Mae permits a delayed substitution per the Structured Transaction Loan Documents, you must:</p> <ul style="list-style-type: none"> Provide acceptable substitute collateral (such as cash, a Letter of Credit, or other permitted replacement collateral per the Structured Transaction Loan Documents). Add the substitute collateral within 90 days or other approved timeframe per the Structured Transaction Approval or the Structured Transaction Loan Documents.
<p>Conversion to Fixed Rate: converting an ARM Mortgage Loan to a fixed rate Mortgage Loan</p>	<p>Submit a request to Multifamily Structured Asset Management.</p>	<p>If Fannie Mae approves the conversion, you must comply with Part IV, Chapter 7: Variable Rate Conversions and Renewals.</p>



Features and Activities		
Activity	You must...	Process
Borrow-Up: funding additional loan proceeds without adding collateral	Submit a request to Multifamily Structured Asset Management per Part V, Chapter 4: Asset Management: Loan Document Administratio n, Section 416: Credit Facilities and Bulk Deliveries.	If Fannie Mae approves the borrow-up, you must <ul style="list-style-type: none"> • comply with Part IV, Chapter 6: Structured Transactions, Section 604: Delivery, and • pay any applicable fees.

606.02 Asset Management Activities

Operating Procedures

Per [Part V, Chapter 4: Asset Management: Loan Document Administration, Section 416: Credit Facilities and Bulk Deliveries](#), for certain asset management activities you may need to deliver documents or data to Fannie Mae. To complete these activities:

Asset Management Activities	
Activity	You must...
Delivering new or modified Structured Transaction Loan Documents	Comply with Part IV, Chapter 6: Structured Transactions, Section 604: Delivery .
Processing any Transfer/Assumption	Submit new deal participant data per Part IV, Chapter 6: Structured Transactions, Section 604.01: Delivery Process .



Asset Management Activities	
Activity	You must...
Renewing, replacing, or modifying an Interest Rate Cap	<ul style="list-style-type: none">• Enter the new data in MSFMS per Part IV, Chapter 6: Structured Transactions, Section 604.01: Delivery Process.• Comply with the terms and conditions per the Structured Transaction Approval.
Performing any other activities for a Structured Transaction	<ul style="list-style-type: none">• Contact Multifamily Structured Acquisitions.• Comply with the terms and conditions per the Structured Transaction Approval.



GLOSSARY

■ Credit Facility

Structured Transaction governed by a Master Credit Facility Agreement requiring Mortgage Loans and Properties to be

- cross-defaulted, and
- cross-collateralized.

Synonyms

Credit Facilities

Credit Facility's

■ DUS Gateway

Multifamily pre-acquisition system including, or any successor systems, recording deal registration, Pre-Review and/or waiver tracking, Mortgage Loan Commitments, and decision records, or any successor systems.