



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 703.03 Conversion Activities

### Operating Procedures

You must coordinate with Fannie Mae to ensure the following conversion activities occur.

You must...	Fannie Mae will...
<ul style="list-style-type: none"><li>• Issue a new fixed rate MBS Pool after completing the conversion process.</li><li>• Deliver the converted fixed rate Mortgage Loan to Fannie Mae under the new confirmed Commitment.</li><li>• Ensure the MBS trade has a Book-Entry Date no later than:<ul style="list-style-type: none"><li>- the 17th day of the month of the Conversion Effective Date for an MBS ARM Loan or SARM Loan; or</li><li>- the 10th day of the month of the Conversion Effective Date for a Cash ARM Loan or SARM Loan.</li></ul></li><li>• Deposit the funds from the MBS trade into your applicable P&amp;I Custodial Account.</li></ul>	<ul style="list-style-type: none"><li>• Issue the new fixed rate MBS.</li><li>• For a variable rate Cash Mortgage Loan, place it into the MBS trade assignment account.</li><li>• Transfer the MBS to the MBS Investor per your instruction on either the 10th or the 17th day of the month (as applicable) of the Conversion Effective Date.</li></ul>



# Glossary

## B

**Book-Entry Date** 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

## C

**Cash Mortgage Loan** Mortgage Loan purchased by Fannie Mae in exchange for cash.

### **Synonyms**

- Cash Mortgage Loans

**Commitment** Contractual agreement between you and Fannie Mae where Fannie Mae agrees to buy a Mortgage Loan at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and you agree to Deliver that Mortgage Loan.

### **Synonyms**

- Committed
- Commitments

## M

**MBS** Mortgage-Backed Security

**MBS Investor** For MBS Mortgage Loans, either a Third Party MBS Investor for Lender-Arranged Sales, or the Multifamily Trading Desk.



MBS Pool	<p>MBS Security backed by MBS Mortgage Loans.</p> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• MBS Pools</li><li>• MBS Pool's</li></ul>
Mortgage Loan	<p>Mortgage debt obligation evidenced, or when made will be evidenced, by</p> <ul style="list-style-type: none"><li>• the Loan Documents, or</li><li>• a mortgage debt obligation with a Fannie Mae credit enhancement.</li></ul> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• Mortgage Loans</li><li>• Mortgage Loan's</li></ul>

## P

P&I Custodial Account	<p>Custodial Account for principal and interest deposits.</p> <p><b>Synonyms</b></p> <ul style="list-style-type: none"><li>• P&amp;I Custodial Accounts</li></ul>
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