Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 28, 2026

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408.01D Funds as Additional Security for Mortgage Loan

All funds or other collateral held under a Collateral Agreement constitute additional security for the Borrowers obligations under the Note and the other Loan Documents. In the event of a default under the Loan Documents, Fannie Mae reserves the right to apply (or direct the Servicer to apply) the funds or other collateral held under any Collateral Agreement in any manner allowed under the terms of such Collateral Agreement. **Following a default, unless instructed by Fannie Mae, the Servicer must not:**

- **release any funds or other collateral held under a Collateral Agreement;**
- **apply any funds or collateral to the repayment of the Mortgage Loan; or**
- **reimburse itself from such funds or collateral for any expenses or losses incurred by the Servicer.**

Glossary

B

Borrower	Person who is the obligor per the Note. **Synonyms** • Borrowers • Borrower's

C

Collateral	Property, Personal Property, or other property securing a Mortgage Loan.
Collateral Agreement	Agreement granting a security interest in Mortgage Loan collateral not covered by the Security Instrument. **Synonyms** • Collateral Agreements

L

Loan Documents	All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan. **Synonyms** • Loan Document • Mortgage Loan Document • Mortgage Loan Documents

M

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 • Mortgage Loan's

N

Note	Instrument evidencing a Mortgage Loan obligation, including
	• Form 6010 series,
	• any other Fannie Mae-approved note, and
	• all applicable
	  - addenda,
	  - schedules, and
	  - exhibits.
	
	Synonyms
	• Notes

S

Security	MBS, PFP MBS, or REMIC. **Synonyms** • Securities
Servicer	Primary Person servicing the Mortgage Loan, including • the originator, • seller, or • a third party. **Synonyms** • Servicers • Servicer's