



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 8, 2025

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TABLE OF CONTENTS

Part III Section 1803 Prepayment Premiums 3

GLOSSARY 4



Section 1803 Prepayment Premiums

Requirements

You must not waive any:

- Prepayment Premium based on required yield maintenance; or
- portion of the Minimum 1% Prepayment Premium above the required yield maintenance if the Portfolio Mortgage Loan
 - has a minimum Prepayment Premium other than 1%,
 - will be refinanced before the Yield Maintenance Period End Date, or
 - is a fixed rate MBS Mortgage Loan with an Issue Date before April 1, 1999.

Guidance

For all other Choice Refinance Loans:

| Cash or MBS | You may waive the Minimum 1% Prepayment Premium... |
|--------------|---|
| Fixed Rate | <ul style="list-style-type: none">• after the Yield Maintenance Period End Date, or• for declining Prepayment Premiums during the 6 months before the Maturity Date. |
| ARM and SARM | <p>after any lockout if the Portfolio Mortgage Loan</p> <ul style="list-style-type: none">• is being refinanced with a fixed rate 7- or 10-year term, and• was either<ul style="list-style-type: none">- an ARM Loan with a Plan Number of 02160, 02254, 02255, 03471, or- a SARM Loan with a Plan Number of 03488. |



Glossary

I

Issue Date First day of the month a Security is issued.

M

Maturity Date Date all Mortgage Loan amounts become fully due and payable per the Loan Documents.

Synonyms

- Maturity Dates

MBS Mortgage-Backed Security

MBS Mortgage Loan Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan.

Synonyms

- MBS Mortgage Loans

Minimum 1% Prepayment Premium For a prepayment, an amount equal to 1% of the UPB.

P

Plan Number Number identifying the applicable loan characteristics for any Mortgage Loan that accrues interest at a variable rate at any time during the loan term.

Synonyms

- Plan Numbers



Portfolio Mortgage Loan

Mortgage Loan purchased by Fannie Mae and held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan.

Synonyms

- Portfolio Mortgage Loans
- Portfolio Mortgage Loan's

Prepayment Premium

For a Mortgage Loan prepayment, amount the Borrower must pay in addition to the prepaid principal and accrued interest per the Loan Documents.

Synonyms

- Prepayment Premiums

Y

Yield Maintenance Period End Date

Last day on which a Borrower owes yield maintenance for a voluntary Mortgage Loan prepayment.

Synonyms

- Yield Maintenance Period End Dates