



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of July 7, 2023

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Summary of Changes

HIGHLIGHTS

Effective for Mortgage Loans Committed as of July 7, 2023, updated the requirements and fees for a failed Mortgage Loan Delivery, including

- Breakage Fees, and
- a Withdrawn Commitment Fee.

Primary Changes

- Added a requirement that neither you nor the Borrower may profit from a failed Delivery.
- Updated the fees in Part IV, Chapter 4: Delivery, Section 408: Delivery Failure for a failed Mortgage Loan Delivery, including MBS or cash trades
 - with the Multifamily Trading Desk, and
 - for Lender-arranged sales.

Questions

Please contact the Multifamily Pricing Team at mf_pricingteam@fanniemae.com with any questions.



Chapter 4

Delivery

Section 401

Delivery Deadline

Requirements

By 10:30 a.m. Eastern Time on the [Delivery](#) deadline, you must

- [Deliver the complete Mortgage Loan Delivery Package to Multifamily Certification and Custody](#), and
- submit all required data.

Delivery Deadline	
MBS Mortgage Loan	<ul style="list-style-type: none">• For funding under an ASAP Option, per the ASAP Contract, or• 7 Business Days before (and not including) the Book-Entry Date.
Cash Mortgage Loan	<ul style="list-style-type: none">• For funding under an ASAP Option, per the ASAP Contract, or• 3 Business Days before (and not including) the earlier of the<ul style="list-style-type: none">- Rate Lock expiration date, or- Commitment expiration date.

Guidance

You should [Deliver the Mortgage Loan](#) before the [Delivery](#) deadline to allow time for you to correct any errors Fannie Mae may find.

If you do not meet the [Delivery](#) deadline and your delay requires a change in the [Rate Lock](#) expiration date, you may be charged a [Rate Lock Extension Fee](#) per [Part IV, Chapter 2: Rate Lock and Committing, Section 204.03B: Rate Lock Extensions](#).

Section 402

Submission

402.01 Data and Documents

Requirements



Submission Type	You must...
Data	<ul style="list-style-type: none">• Enter all information in C&D per the screen instructions and C&D User Manual to submit<ul style="list-style-type: none">- Mortgage Loan data by the Delivery deadline, and- rent roll data by the earlier of<ul style="list-style-type: none">▪ 5 Business Days after the Mortgage Loan Origination Date, or▪ the Delivery deadline.• For a Mortgage Loan funded under an ASAP Option,<ul style="list-style-type: none">- submit Mortgage Loan data in C&D per this Chapter or the ASAP Contract, and- select the ASAP Plus or ASAP Sale indicator in C&D.• Ensure all data is accurate and complete.• Follow the C&D validation process to ensure the Mortgage Loan reaches the Submitted status.• Email Multifamily Acquisitions if C&D is preventing you from delivering valid data.



Submission Type	You must...
Mortgage Loan Delivery Package	<ul style="list-style-type: none">• Submit all applicable documents per the Multifamily Mortgage Loan Delivery Package Table of Contents (Form 6502.Folder.I.and.Folder.III and Form 6502.Folder.II) and any applicable ASAP Contract, including the Mortgage Loan's<ul style="list-style-type: none">- underwriting information, and- Loan Documents.• Ensure all documents are accurate and complete:<ul style="list-style-type: none">- Use Fannie Mae's standard form Loan Documents, and only modify them if permitted by Fannie Mae.<ul style="list-style-type: none">- Check all appropriate boxes on Form 6502.Folder.I.and.Folder.III and Form 6502.Folder.II, and list any other documents delivered with the Mortgage Loan.- Deliver a blackline copy of any modified document (including any Schedule or Exhibit), showing all changes to Fannie Mae's form documents per the document modification memo prepared by your counsel and uploaded to DUS Gateway.- Submit Loan Documents consistent with the data in C&D and the Commitment.- Unless submitted per an approved C&D data change, ensure physical Loan Documents are identical to electronic copies previously sent for certification.- Endorse or assign the Loan Documents to Fannie Mae.- Ensure the Mortgage Loan has a title insurance policy per Part II, Chapter 3: Legal Compliance, Section 304: Title Insurance. You may submit the title policy with blanks for the recording information, but you must deliver a final title policy with this information to Multifamily Certification and Custody within 6 months of the Mortgage Loan Origination Date.



Operating Procedures

If the number of Mortgage Loans per MBS pool is...	Then you must...
1	Label the Mortgage Loan Delivery Package reflecting the number of envelopes, folders, or containers submitted with the Loan Documents , such as “1 of 2” and “2 of 2”.
More than 1	<ul style="list-style-type: none"> • Ensure the Mortgage Loan Delivery Package is in the same numerical order as the C&D data submission. • Group the Mortgage Loans as 1 package <ul style="list-style-type: none"> - including all Mortgage Loans within the MBS Pool, and - labeled reflecting the number of envelopes, folders, or containers submitted with the Loan Documents, such as “1 of 4, MBS Pool #_____”, and “2 of 4, MBS Pool #_____”.

402.02 Participation Interests

Requirements

For [Participation Interests](#), you must deliver the following additional documents.

If the Participation Interest is...	Then you must deliver...
In Certificate Form	<ul style="list-style-type: none"> • the original participation certificate, and • if the certificate was not issued in Fannie Mae’s name, an instrument assigning it to Fannie Mae.
Not in Certificate Form	the original documentation showing its issuance or conveyance to Fannie Mae.

Section 403

Warehouse Lender



→ Guidance

You may originate a [Mortgage Loan](#) with proceeds from a warehouse lender.

✦ Operating Procedures

If the warehouse lender uses a bailee letter to deliver the [Note](#) to Fannie Mae, the letter must be acceptable to Fannie Mae.

Section 404 Wiring

404.01 Wiring Instructions

☑ Requirements

You must accurately complete all wiring instructions in [C&D](#).

✦ Operating Procedures

Fannie Mae will wire the funds or [MBS](#) per the [C&D](#) instructions. If there is a conflict between the [C&D](#) instructions and any bailee letter from your warehouse lender, then you must submit a change request in [C&D](#).

404.02 Wiring Payee Codes

☑ Requirements

If you request, Fannie Mae will assign wire transfer payee codes for your [Cash Mortgage Loan](#) proceeds. You must

- request a separate payee code for each account to which Fannie Mae will send funds, and
- enter the applicable payee code in [C&D](#).

✦ Operating Procedures

Each payee code will be associated with a specific account and financial institution. You may not transfer codes between your accounts or with other [Lenders](#).

See [Seller's Designation of Wire Transfers Instructions \(Form 482\)](#) and [Certificate of Authority, Incumbency, and Specimen Signatures \(Form](#)



360) for payee code information.

Section 405

Delivery

405.01 Acceptability and Delivery Tolerance

Requirements

For the [Mortgage Loan](#) to be acceptable for purchase, you must ensure:

- It complies with:
 - [Form 4660](#);
 - [Part I](#);
 - [Part II](#);
 - the applicable chapters of [Part III](#) based on the specific products and features of the [Mortgage Loan](#); and
 - the [Pricing and Underwriting Tier](#) per the [Commitment](#).
- For an [MBS Mortgage Loan](#):
 - [Fannie Mae](#) has not informed you that the [Mortgage Loan](#) fails to meet all eligibility requirements for [Fannie Mae](#) to make a [REMIC](#) election when issuing the associated [MBS](#) (see [Form 4098](#) for [REMIC](#) eligibility information); and
 - either the [Same Month Pooling](#) delivery option applies, or:
 - the [Book-Entry Date](#) is before the [Mortgage Loan](#)'s first scheduled monthly payment date; and
 - the first monthly payment to the [MBS Investor](#) is the first monthly payment due under the [Mortgage Loan](#).
- The [Delivered Mortgage Loan Amount](#) is within the delivery tolerance.

Operating Procedures



Delivery Tolerance	
Calculation	Examples
Commitment Amount plus or minus • 5% of the Commitment Amount, or • a lesser percentage per a Third Party MBS Investor delivery requirement.	 • Delivered Mortgage Loan Amount must be at least 95% and not more than 105% of the Commitment Amount . • If a Third Party MBS Investor allows a 3% delivery tolerance, then the Delivered Mortgage Loan Amount must be at least 97% and not more than 103% of the Commitment Amount .

405.02 Data Changes

Requirements

To make data changes after you submit the **Mortgage Loan** in **C&D**, you must submit a **C&D** data change request per the **C&D** User Manual.

If the **MBS Mortgage Loan** has a special characteristic or an **Additional Disclosure** item that was not identified when the **Commitment** was confirmed, you must

- notify **Multifamily Acquisitions** as soon as possible, but no later than the date of **Delivery**, and
- make the **Additional Disclosure** per Part IV, Chapter 5: Purchase, Section 504.02: **Additional Disclosure**.

Section 406 MBS Delivery Options

Requirements

The **Book-Entry Date** you choose determines the delivery option.



Delivery Options	
Standard Delivery	<ul style="list-style-type: none"> • Book-Entry Date is in the month before the Mortgage Loan's first payment date, and • Mortgage Loan Origination Date is no later than the month before the month the MBS will be issued.
Same Month Pooling	<ul style="list-style-type: none"> • Book-Entry Date is in the same month as the Mortgage Loan Origination date, and • Mortgage Loan Origination Date is early enough in the month to allow Fannie Mae to issue the MBS within the same month.
ASAP	Per the ASAP Contract .

Operating Procedures

See [Part IV, Chapter 5: Purchase, Section 503: Third Party MBS Investor Delivery Scenarios](#) for MBS delivery and settlement information.

The MBS Delivery Parameters table describes the delivery options.

MBS Delivery Parameters					
MBS Delivery Options	If Mortgage Loan Origination Date is...	and first loan payment date is...	then Book-Entry Date is...	and MBS Issue Date is...	Additional Requirements
MBS Standard Delivery	No later than the month before the month the MBS will be issued (generally may occur on any Business Day)	The 1st day of the 2nd month after Mortgage Loan Origination Date	In the month before the 1st loan payment date	Always the 1st of the month in which the Book-Entry Date occurs	N/A
Example	1/15	3/1	2/20	2/1	N/A



MBS Delivery Parameters					
MBS Delivery Options	If Mortgage Loan Origination Date is...	and first loan payment date is...	then Book-Entry Date is...	and MBS Issue Date is...	Additional Requirements
MBS Same Month Pooling Delivery: Scenario 1	The 1st of the month	The 1st day of the month after Mortgage Loan Origination Date	In the same month as Mortgage Loan Origination Date	Always the 1st of the month in which the Book-Entry Date occurs	N/A
Example	1/1	2/1	1/25	1/1	N/A
MBS Same Month Pooling Delivery: Scenario 2	A day other than the 1st of the month	The 1st day of the 2nd month after Mortgage Loan Origination Date	In the same month as Mortgage Loan Origination Date	Always the 1st of the month in which the Book-Entry Date occurs	Interest only payment is due to the MBS Investor in the month before the 1st loan payment date
Example	1/5	3/1	1/25	1/1	Interest payment paid to MBS Investor 2/25

Section 407 Delivery Problems and Changes

407.01 Delivery Problems

Requirements

If you anticipate a delivery problem (such as a late [Delivery](#) or a [Delivered Mortgage Loan Amount](#) outside the delivery tolerance), you must contact:

- the [Multifamily Trading Desk](#) or the [Third Party MBS Investor](#), as



applicable;

- Multifamily Acquisitions;
- the Fannie Mae Deal Team; and
- for an ASAP transaction, the Capital Markets Early Funding Desk.

 Operating Procedures

If...	Then...
<p>You are subject to a Bankruptcy Event or are unable to perform your obligations relating to the</p> <ul style="list-style-type: none"> • Rate Lock, • Commitment, • applicable Third Party MBS Trading Agreement, or • Multifamily Trading Desk trading account 	<p>Fannie Mae will</p> <ul style="list-style-type: none"> • consider the Rate Lock expiration date and Commitment expiration date to have occurred, and • have the right to draft the Minimum Good Faith Deposit.

407.02 Changing the Book-Entry Date

 Requirements

If you or Fannie Mae determine that the [Delivery](#) deadline cannot be met, the [Book-Entry Date](#) must be changed.

 Operating Procedures

To change the [Book-Entry Date](#):

Step 1: Fannie Mae will advise you of the earliest available new [Book-Entry Date](#).

Step 2: You must contact the [Third Party MBS Investor](#) and establish a

- new [Book-Entry Date](#), and
- new [Rate Lock](#) expiration date and [Commitment](#) expiration date (if needed).

Step 3: For [Commitment](#) changes, you must submit a change request per [Part IV, Chapter 3: Streamlined Rate Lock, Section 305: Rate Lock and Commitment Extensions](#).



Step 4: You must pay any fees and adjustments to the Pass-Through Rate for the new Book-Entry Date.

Section 408

Delivery Failure

Requirements

Neither you nor the Borrower may profit from a failed Delivery.

Operating Procedure

Fannie Mae may take certain actions if the Mortgage Loan Delivery

- does not occur by the Delivery deadline, and
- this failure results in Fannie Mae being unable to
 - settle the MBS by the Rate Lock expiration date for an MBS Mortgage Loan, or
 - purchase the Mortgage Loan by the earlier of the Rate Lock expiration date or the Commitment expiration date for a Cash Mortgage Loan.

For MBS or Cash Trades...	If you fail to Deliver the Mortgage Loan...
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With the Multifamily Trading Desk

Fannie Mae will:

- ~~draft as Breakage Fees an amount equal to~~
 - ~~the Minimum Good Faith Deposit from your account and retain it as liquidated damages in full satisfaction of your Rate Lock and Commitment obligations, or~~
 - ~~for a Forward Commitment, per Part III, Chapter 20: Forward Commitments, Section 2003.02B: Fees; and~~
- draft as Breakage Fees, paid to the Multifamily Trading Desk for the broken Rate Lock, an amount equal to:
 - the Minimum Good Faith Deposit from your account, retaining it as liquidated damages in full satisfaction of your Rate Lock obligations; or
 - for a Forward Commitment, per Part III, Chapter 20: Forward Commitments, Section 2003.02B: Fees;
- pay any Withdrawn Commitment Fee due to Fannie Mae per the Pricing Memo; and
- return the Mortgage Loan Documents to you or to an applicable warehouse lender.

This remedy will occur

- after the Rate Lock expiration date or the Commitment expiration date, but
- no sooner than the 2nd Business Day after Fannie Mae sends you a notice of default.

If the Rate Lock Period is more than 180 days, the Fannie Mae Multifamily Trading Desk will determine any additional remedies at the time of Rate Lock.



<p>For Lender-Arranged Sales</p>	<p>You must:</p> <ul style="list-style-type: none">• <u>provide Fannie Mae with copies of the Third Party MBS Investor's</u><ul style="list-style-type: none">- <u>trading agreement for the failed Delivery, including Breakage Fee calculation methodology, and</u>- <u>Rate Lock agreement for the failed Delivery;</u>• comply with the requirements of the Third Party MBS Investor;• protect and hold Fannie Mae harmless against all actions or costs that may result from not complying with Third Party MBS Investor requirements; and• pay the Third Party MBS Investor any Breakage Fees, whether or not it collects holds the Good Faith Deposit <u>you collected</u> from the Borrower; and• <u>pay Fannie Mae:</u><ul style="list-style-type: none">- <u>the difference as a Breakage Fee for the broken Commitment if the breakage fees paid to the Third Party MBS Investor are less than the Minimum Good Faith Deposit; and</u>- <u>any Withdrawn Commitment Fee due per the Pricing Memo.</u> <p>If Fannie Mae does not purchase the Mortgage Loan, the Mortgage Loan documents will be returned to you or to an applicable warehouse lender.</p>
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