# Delivering Structured Transactions – Multifamily Structured Facility Management System Multifamily Acquisitions

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# Multifamily Structured Transactions

# I. Introduction

## A. Multifamily Structured Management System (MSFMS)

This Job Aid outlines the registration, commitment, delivery, and purchase procedures for Mortgage Loans originated as part of a Bulk Delivery Structured Transaction. It also outlines the procedures for Bulk Delivery collateral activity, and Credit Facility collateral activity that does not involve the origination of a new Mortgage Loan.

Delivery of a Bulk Delivery Structured Transaction to Fannie Mae is managed exclusively through the Multifamily Structured Management System (MSFMS), which provides lenders with a centralized view of the transaction. For MSFMS access or additional training, please contact the Multifamily Acquisitions Structured Team (see Contact Information on page 24).

The delivery process for fixed-rate and variable-rate Mortgage Loans supporting the issuance of a Fannie Mae Mortgage-Backed Security (MBS) in a Bulk Delivery Structured Transaction is completed solely in MSFMS. Cash Mortgage Loans and Credit Enhancement Mortgage Loans included in a Structured Transaction require additional steps—including a data submission component in the Multifamily Committing and Delivery System (C&D™)—which are also described in this Job Aid.

The following pages/tabs in MSFMS must be completed by the Lender to register and deliver Mortgage Loans included in a Structured Transaction:

1. Registration/Contacts: used to register a new transaction;
2. Hedges (required for Structured ARM Loans when not waived): used to enter and submit Interest Rate Hedge data;
3. Deal Participant: used to enter and submit participant-related data;
4. Financing Options (pool and loan data fields): used to enter and submit MBS information; and
5. Collateral: used to enter and submit collateral (both Property and non-property) related data.

**Lender Roles needed for processing in MSFMS:**

Lender Registration:

- Register the new deal

Lender Collateral Analyst:

- Creates, edits, and saves collateral

Lender Collateral Manager:

- Same abilities as the Lender Collateral Analyst role
- Submits collateral

Lender Security Analyst:

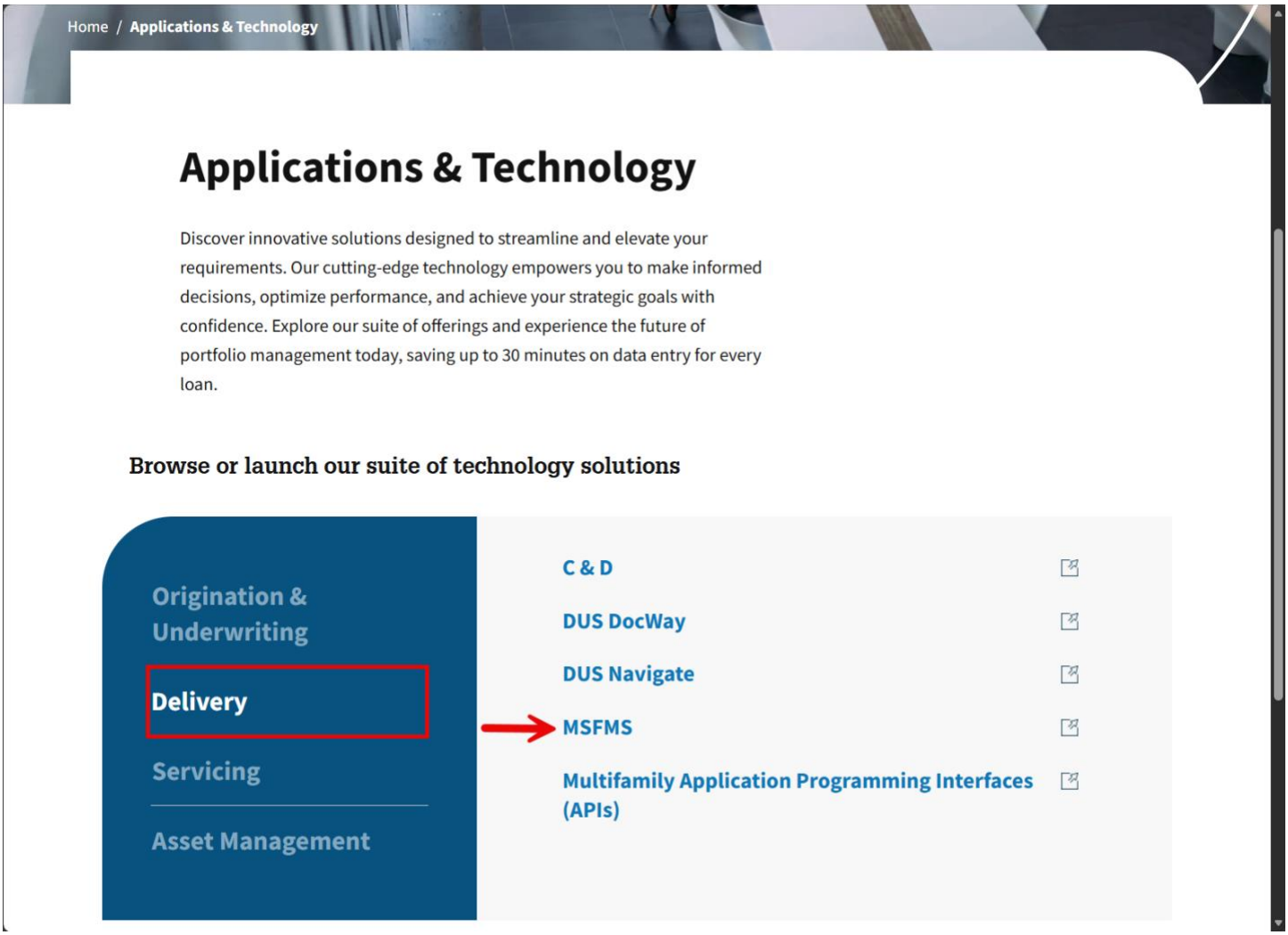
- Creates and enters Hedge data
- Creates, edits, saves, and deletes any “created” Deal Participants
- Creates, edits, and saves Pool and Loan Data

Lender Security Manager:

- Same abilities as the Lender Security Analyst
- Submits Hedge data
- Submits Deal Participants; and
- Submits Pool and Loan data.

## B. Navigating to MSFMS

1. Navigate to the Fannie Mae Multifamily's website.
2. Select the Apps & Tech tab
3. Select Delivery which will display the link for MSFMS
4. Select MSFMS and then Lauch App to log in



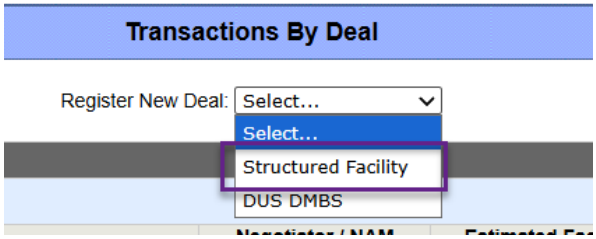
# II. Registering a New Structured Transaction in MSFMS

Using the Negotiated Seller Number, the lender must register their Structured Transaction in MSFMS after the transaction has been marked as won in DUS Gateway® and prior to the remittance of any fees to Fannie Mae. The MSFMS Deal ID will be assigned upon registration in MSFMS.

> **NOTE:** *Once a transaction is registered MSFMS, all subsequent activity associated with that specific transaction will occur under that Deal Name and Deal ID.*

The *Lender Registration* role is required to register the deal in MSFMS. Perform the following steps to register the deal.

- Select Structured Facility from the *Register New Deal* drop down selection on the *By Deal Tab*.




- A required field in MSFMS is marked by a **+** sign, unless specified otherwise below. Complete each required field.
- Click *Select Lender* button to choose the Seller name and number being used for the initial advance.
- The Lender information section does require you to fill out both Phone, Fax, and Email fields although they do not have a **+** sign next to the field name. We recommend entering the same phone number as the Fax number if a separate Fax number is not available.
- FM Operations, NAM Information, and Negotiator Information are the only Fannie Mae contacts that are required for the Registration page.
- The Counsel information entered at the bottom of the page can be found on the Due Diligence letter Lenders and Fannie Mae signs once the deal has been won by Fannie Mae
- Click the Register button once all the data is complete.

# III. Structured Transaction Approval

Fannie Mae will issue a Structured Transaction Approval in DUS Gateway® outlining the terms and conditions governing the Structured Transaction, including pricing and certain fees, along with any applicable expiration dates. The Fannie Mae Deal Team will provide the lender with the name and contact information for both the Fannie Mae in-house legal counsel and the Fannie Mae outside counsel who have been assigned to work on the particular transaction. Please contact the Fannie Mae Deal Team with any questions related to any of the approval terms or expiration dates.

Fannie Mae will complete the following steps for the registered transaction in MSFMS upon receiving the closing confirmation:

- Update the transaction terms on the Deal Terms page;
- Create and update the collateral group information;
- Create and update the fee group information; and
- Finalize the deal status to “approved”, which will allow the lender to begin submitting delivery data, including participants, collateral, pool, and loan.

For detailed guidance regarding the remittance of fees in connection with Structured Transactions, please refer to the **Fee Remittance & Updating Multifamily Structured Facility Management System** Job Aid.

# IV. Commitment Process

## A. MBS Mortgage Loans

Commitments are not generated for Bulk Delivery MBS transactions.

For any transaction type where a Commitment is not generated, the Lender must create the corresponding Pool and Loan in MSFMS within 24 hours of rate locking and input as much of the required data as is available.

Additional steps required for Conversions and Tranche Refi's:

- Conversions
  - Book Entry Date should be no later than the scheduled MBS draft date for the month
  - Payoff should be submitted in the Payoff Calculator for any the Variable Loan(s) that are converting to Fixed Rate Loans. Refer to this job aid for additional guidance: Payoff Quotes – Guidance and Best Practices
  - Do not add the Conversion Fee that is due per the MCFA in the additional amounts due section of the Payoff quote
- Tranche Refi
  - Submit a payoff request for the loan(s) that have been identified as the loan(s) being refinanced in the Payoff Calculator. Refer to this job aid for additional guidance Payoff Quotes – Guidance and Best Practices

## B. Cash Mortgage Loans and Credit Enhancement Mortgage Loans

For Cash Mortgage Loans and Credit Enhancement Mortgage Loans included in a Structured Transaction, the lender must obtain a Commitment through C&D within 24 hours of Rate Lock by following the same process as required for standard C&D transactions with the following exceptions:

- Commitment Page: The lender must select *Structured* as the Delivery Channel Type and enter the MSFMS Deal ID in the Structured Facility Management Deal ID field to associate the Commitment with the Structured Transaction registered in MSFMS. The Deal ID can be found in the top section of the MSFMS screen next to the Deal Name.

- Participants Page: The lender must enter at least one (1) Borrower record in C&D; the complete data for all deal participants will be entered separately in MSFMS.

- Collateral Page: Property Collateral data is NOT required in C&D; the complete data for all Properties, including rent roll data, will be entered and submitted in MSFMS.

# V. Delivery Process

## A. General

To ensure that a Mortgage Loan is purchased timely by Fannie Mae, the lender must meet the minimum timing requirements at all stages of the Delivery process, including submission of all required data via MSFMS and C&D (as applicable), and delivery of all required documentation. All required data and documents must be submitted by 5:00 pm Eastern Time, no later than 10 Business days prior to (but not including):

- The Book Entry Date for MBS Mortgage Loans; and

- The purchase date for Cash Mortgage Loans.

Please contact the Multifamily Acquisitions Structured team for specific delivery deadlines related to Credit Enhancement Mortgage Loans that are associated with a MSFMS Structured Transaction.

For Bulk Delivery Structured Transactions, Delivery requires completion of the following 5 steps:

**Step 1:** Submission of Deal Participant and Collateral data via MSFMS;

**Step 2:** Electronic delivery of Property and underwriting related documents (the Delivery Documents as required under Folder II, as described in Form 6502 – Multifamily Mortgage Loan Package Table of Contents) via DUS DocWay™;

**Step 3:** For Structured ARM Loans (SARM Loans), submission of Interest Rate Hedge data;

**Step 4:** Submission of Pool and Mortgage Loan data via MSFMS for MBS Mortgage Loans or submission of loan data via C&D for Cash Mortgage Loans or Credit Enhancement Mortgage Loans; and

**Step 5:** Delivery of executed Structured Transaction Loan Documents

> **NOTE:** *For a Cash Mortgage Loan or Credit Enhancement Mortgage Loan, the Deal Participant, Collateral, and Hedge data (if applicable) is submitted in MSFMS only, while the applicable Cash Mortgage Loan or Credit Enhancement Mortgage Loan data is submitted in C&D only. The MSFMS Deal ID, which is entered into both C&D and MSFMS by the Lender, will link the Structured Transaction in the 2 Fannie Mae systems.*

# B. Deal Participant and Collateral Data Delivery (Step 1)

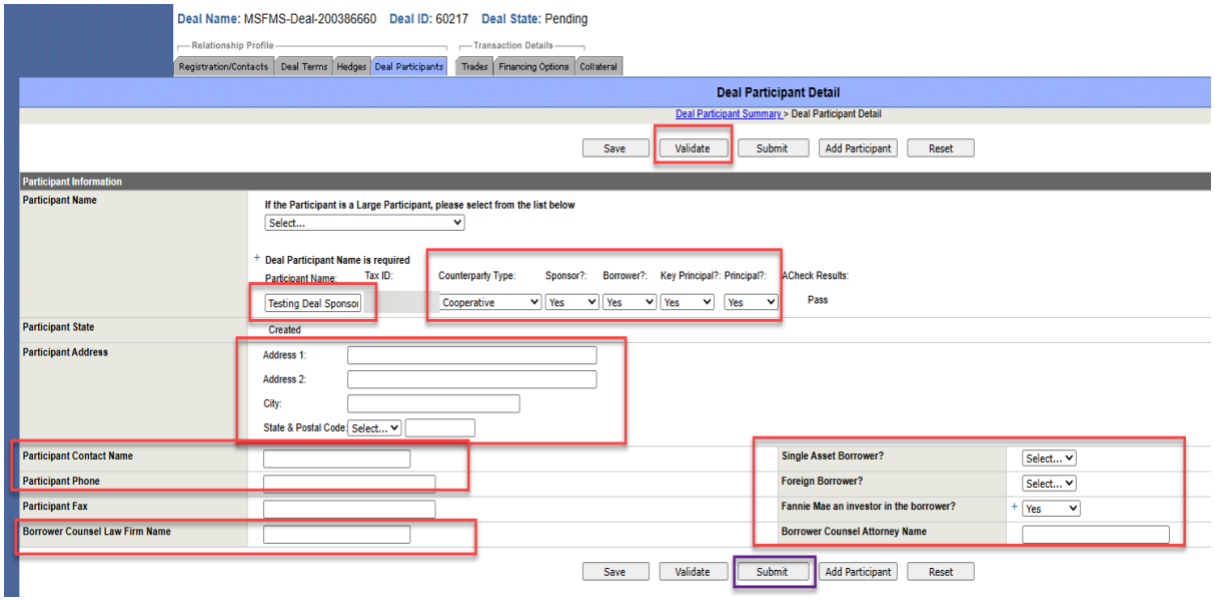
## 1. Submission of Data

The lender is responsible for entering and submitting the Deal Participant data and the Collateral data (Property, underwriting, and housing goals data) into MSFMS for all Mortgage Loans delivered in connection with a Bulk Delivery Structured Transaction. For MBS Mortgage Loans, the deal participant and collateral data is submitted separately from, and in advance of, the submission of Pool and Mortgage Loan data in MSFMS (Step 4).

The lender must complete a "Deal Participant" page in MSFMS, and submit all required data for each Borrower, Key Principal, and Sponsor (the Sponsor may be the same Person as the Key Principal), and any Principals.

**Reminder:** Roles needed to complete this deliverable are the Lender Security Analyst (create, edit, and save) and Lender Security Manager (submit).

1. Click on the Deal Participants tab.
2. Click the *Add Participant* button.
   - MSFMS requires at least 1 Sponsor, 1 Borrower, 1 Key Principal, and 1 Principal.
3. Enter all the required data.
   - Reach out to Spot mailbox (multifamily_spot@fanniemae.com) for additional guidance associated with any approved Foreign Deal Participant and/or any Deal Participant(s) with an ACheck waiver.
   - A participant can have multiple roles.
4. Select *Validate* to run ACheck.
5. Click the Submit button once complete.




The Lender must create a "Collateral" record in MSFMS, and submit all required data, for each Property being delivered with the applicable transaction type. This includes submitting the rent roll data by uploading the completed Multifamily Rent Roll Data Template. (Please see the "Multifamily Rent Roll Template Lender Guidance" job aid for detailed guidance.)

Reminder: The roles needed are Lender Collateral Analyst (create, edit and save), and Lender Collateral Manager (submit).

1 Click on the Collateral tab.

2 Select *Property* from the *Add New* drop down.

3 Enter all the data in the required data.

- Property Financial Type:
  - "Base" for all Multifamily Properties such as Student, Military, Manufactured Housing Community, Affordable Properties; or
  - Select "Seniors" for all Seniors Housing Properties.
- Substitution? Indicator should be NO for all Properties UNLESS the Property being added is a *Substitute* Property.
- Property Street Address section should match the Property information as stated in the Schedule of Initial Mortgaged Properties and Initial Valuation schedule of the Multifamily Credit Facility Agreement (MCFA) as well as the Property Name; enter a single primary address in Address line 1 and leave Address line 2 blank.
- Reminder: Green Building Certification is not currently available for MSFMS transactions.
- Underwriting section:
  - Original Allocable Facility Amount ($) value should match the Initial Allocable Facility Amount from the Schedule of Initial Mortgaged Properties and Initial Valuations of the MCFA; and
  - Underwritten Property Value should match the Initial Valuation amount from the Schedule of Initial Mortgaged Properties of the MCFA.
  - Property Purchase Price ($) and Property Purchase Date (mm/dd/yyyy) values should follow the requirements defined in Part II, Chapter 2, Section 202.03 of the Multifamily Guide.
  - Appraisal NCF ($) value should match the value from the appraisal.

**NOTE:** *Note: If the variance between field and UW NCF exceeds the allowable tolerance, then a waiver must be submitted in DUS Gateway®*

- Housing Goals section:
  - Manufactured Housing Property:
    - □ Number of Buildings – if the Property includes NO separate buildings such as a Management office, then enter 1. MSFMS requires a value in this field and 0 is not acceptable;
    - □ Student Housing (%), Military Housing (%) should be 0.0;
    - □ Elderly Property is NO;
    - □ Senior Housing Type is Not Applicable; and
    - □ Special Feature List is 414 (this is required).
      Once 414 is selected, additional fields will become present:
      - *MHC Community Type*: For-profit Owned, Non-Profit Owned, Government Owned, Resident Owned
        - *For-profit Owned* – community is owned and operated by a for-profit entity, which may be publicly traded or privately held
        - *Non-profit Owned* – community is owned and operated by a non-profit entity
        - Government Owned – community's majority owner is a federal, state, or local government entity
        - *Resident Owned* – Community is owned and operated by a legal entity of which the residents of that community are the owners or shareholders. Each household holds an ownership interest in the entity which owns the land and either manages the community or contracts with an outside management company
        - *Other* – community's majority owner is an entity other than those listed above
        - *Projected Units with Tenant Site Lease Protections (%)* – Enter % of units with Tenant Site Lease Protections (the projected % of pads in the community with protections 12 months post origination) (only applicable for 'For-profit Owned' MHC Community Types)
      - *MHC Non-Owner-Occupied Units* – Enter number of units that are owned by the Borrowing Entity at time of Acquisition
  - Student Housing Property (Reminder: Unit count for Student properties should be based on the total number of Residential Units and not the number of beds):
    - □ Student Housing (%) is 80.0 or greater;
    - □ Military Housing (%) should be 0.0;
    - □ Elderly Property is NO; and
    - □ Senior Housing Type is Not Applicable.
  - Military Housing Property:
    - □ Student Housing (%) is 0.0;
    - □ Military Housing (%) should be 40.0 or greater;
    - □ Elderly Property is NO; and
    - □ Senior Housing Type is Not Applicable.
  - Seniors Housing Property:
    - □ Student Housing (%) is 0.0;

- □ Military Housing (%) should be 0.0;
- □ Elderly Property is Yes;
- □ Senior Housing Type is either Assisted Living or Other Senior Units:
  - Congregate Care is no longer utilized by the Seniors team and therefore *Both AL and CC* would also no longer apply
- □ Special Needs Units:
  - Elderly Units – number of units on the property designated for the Elderly (usually the entire unit count for the property);
  - Disable Units – number of units that are designated for the Disabled Elderly occupants; and
  - Transitional Units and Preservations units can be left blank as these types are no longer used.

4 Click *Submit* once all the data has been entered.

- All the information above can be completed while the deal is in *Pending* state. It is recommended that the data is entered as soon as you have it available to you in order to avoid being rushed by deadlines.
- Submission of the collateral data can only be done when the Deal state is "Approved or Final Approved". It is encouraged for collateral data to be submitted in advance of the delivery timelines provided in this job aid.
- Following submission of all required data, MSFMS will reflect the collateral status as "submitted."

> **NOTE:** *Once the collateral is submitted, it is reviewed by the Multifamily Certification and Custody team. If any discrepancies are identified between MSFMS data and the loan documents, the Certification team will request that the Lender confirm which value is accurate. The collateral record will then be "unlocked" to allow the Lender to make the necessary data corrections in MSFMS. The Lender will also coordinate any document corrections as needed.*

### 2. Timing

For all Mortgage Loans in a Structured Transaction, the Lender must submit the deal participant(s) first and then the collateral data in MSFMS no later than 5:00 p.m. Eastern Time 10 Business Days prior to (but not including):

- the Book-Entry Date for MBS Mortgage Loans; and
- the purchase date for Cash Mortgage Loans.

## C. Underwriting Documents (Step 2)

Contemporaneously with submission of the deal participant and collateral data in MSFMS, the lender must also deliver the Property and underwriting documents by submitting Folder II via DUS DocWay™, including but not limited to, Form 4662, which will be used to review the collateral Property data submitted in MSFMS.

A complete Folder II set of documents is required for all transactions submitted in MSFMS, however the submission of a Form 4662 is not required for the following Credit Facility transaction types: Tranche Refinance, Borrow Up, and Conversion.

Form 4662 Guidance (1 separate Form 4662 is required for each Property being delivered):

- Deal Name is the deal name as reflected in MSFMS.
- Fannie Mae Commitment Number is the Commitment Number generated by DUS Gateway® after receiving an 'Accepted' status for a rate lock submission on an Initial Advance, Addition, Borrow Up, Conversion, or Tranche Refi transaction. The Commitment Number generated by C&D should be used for Cash Loan and Credit Enhancement Loan deliveries.
- Property Name should match the Property name as reflected in the Schedule of Initial Mortgaged Properties from the MCFA.

- Application Loan Amount is the Initial Allocable Facility amount from the Scheduled of Initial Mortgaged Properties from the MCFA.
- The "Loan" section of Form 4662 should be completed for each advance being delivered at that time. Any remaining Form 4662 should have only the "Application Loan Amount" section completed.
- UW LTV can be left blank; this value will be validated via the amount entered on the Pool page.
- UW EGI value should match MSFMS as MSFMS automatically calculates value from entries made the Income column of the Underwriting page.
- UW Tot. Op. Exp. should match MSFMS as MSFMS automatically calculates value from entries made the Expense column of the Underwriting page.
- UW NCF should match MSFMS as MSFMS automatically calculates value from Total EGI amount less TOE less Capital Expenditures.
- DSCR section should be left blank as those values will be verified with the entries made on the Pool page.

After the lender has submitted deal participant and collateral data in MSFMS and delivered the Folder II documents via DUS DocWay™, Fannie Mae will review the submission. If the submission is acceptable, the Multifamily Certification and Custody Team will change the status of the Property on the Collateral Page in MSFMS to *accepted-pending delivery*. If there are questions or discrepancies related to the data, the Multifamily Certification and Custody Team will reach out to the lender directly for resolution.

# D. Interest Rate Hedge (Step 3)

## 1. Timing of Hedge Acquisition

An Interest Rate Hedge is required for each Structured ARM Loan. The Borrower must enter into an Interest Rate Hedge Agreement with a Fannie Mae-approved provider meeting the requirements of Part III, Section 1105 of the Multifamily Selling and Servicing Guide (Guide), with enough time to ensure entry of the hedge data into MSFMS as described below.

## 2. Hedge Data (Required only for SARM Loans)

Prior to submission of the Pool and Mortgage Loan data in MSFMS (Step 4), the Lender must enter and submit the Interest Rate Hedge data for any SARM Loans in MSFMS via the "hedge" tab.

**Reminder:** Lender role needed is Lender Security Analyst (create, edit, and save), Lender Collateral Manager (submit).

To enter the Hedge data, the Lender must complete the following steps:

1. Select the "hedge" tab.
2. Create a new hedge by clicking the *Add Hedge* button.
3. Enter the appropriate data.
   - Hedge Type must either be Cap or Swap
   - Escrow Required should only be NO when the Hedge Term is the same as the Loan term
4. Associate all the Properties in the deal in the Property Association section. Only *Active* properties will be populated in the drop down.
5. Click Submit once all the required date has been entered.

A *Termination* Edit will fire once the Hedge is submitted. Note that MSFMS is calculating to the exact date from the *Effective Date* to the *Termination Date (i.e., Effective Date is 05/08/2020 and Termination Date is 06/01/2025)*. The edit will state that the Termination Date should be 05/08/2025. Provided the Termination Date entered matches the Rate Cap Agreement, you may ignore the edit.

After the required data has been entered, the lender must submit the hedge data to Fannie Mae for review. Fannie Mae will compare the submitted data to the Interest Rate Hedge Agreement. If any discrepancies are noted, Fannie Mae will unlock the "hedge" tab

and notify the lender of corrections that must be made. If no discrepancies are noted, Fannie Mae will change the status from "submitted" to "active" to activate the hedge in MSFMS.

# E. Pool and Mortgage Loan Data Submission (Step 4)

## 1. MBS Mortgage Loans

### (a) Data Submission

The Lender can request the Spot team to execute the automation process that will create the pool, loan and collateral records after reaching the Authorization to Close status on Rate Lock Commitments for Initial Advances, Additions, Borrow Ups, Conversions and Tranche Refi's. It is recommended that the Lender create the MBS Pool when the pool will include multiple loans. In addition, the Lender can the pool, loan and collateral records at their discretion. Pool submission should be complete no later than 10 Business Days prior to (but not including) the Book-Entry Date of the MBS.

**Reminder**: Lender role needed is Lender Security Analyst (create, edit and save) and Lender Security Manager (submit).

1. Click on the Financing Options tab.
2. Click on the Popup Calendar to select a valid blue book entry date. Then select Open once the book entry date is chosen.
3. Choose MBS as the Execution type on the next page.
4. Click on the Pool number to be taken to the Pool page:
   - Combined LTV – calculated at the combined level, utilizing all debt and all collateral
     - If delivering multiple advances at the same time, then the Combined LTV value should be the same on each advance.
     - If revaluations have been approved and are not yet reflected in MSFMS, use the updated values to calculate.
   - UW NCF DSCR at Facility and UW NCF DSCR IO at Facility only apply to Credit Facilities and are ALWAYS populated unless the Facility only has amortizing debt.
   - NCF Amounts used in the calculation should come from the Collateral summary page of MSFMS unless instructed otherwise.
     - If Properties have been revalued for borrow up or addition transactions, then use the approved updated NCF amounts in the DSCR calculation.
   - Use the current monthly payments that are due in the same month of the Book Entry Date for existing Mortgage Loans when calculating annualized payment for any existing Mortgage Loan.
   - Utilize this chart to calculate the annualized payment for New and Existing Mortgage Loans for the UW NCF at Facility Calculation:

| CALCULATION OF Annualized Payments of DEBT SERVICE TO BE USED FOR UW NCF DSCR at Facility | | | | |
|---|---|---|---|---|
| **Interest Type** | **Existing Loan** | | **New Loan** | |
| | **Principal Payment** | **Interest Payment** | **Principal Payment** | **Interest Payment** |
| **Fixed Rate, Amortizing** | Original P&I Due Fannie Mae X 12 | | Original P&I Due to Fannie Mae X 12 | |
| **Fixed Rate, Partial IO** | Maximum Monthly Payment Per FM Participation X 12 (when loan is in the IO Period)<br><br>Current Monthly payment x 12 (when loan is out of the IO Period | | Maximum Monthly Payment Per FM Participation X 12 | |
| **Fixed Rate, Full IO** | Current Interest Only Payment as shown in the servicing system X 12 | | Current UPB X *for Actual 360* , Interest Rate/100*365/360 OR *for 30/360* , Interest Rate/100 | |
| **Variable Rate, Amortizing** | (Structured ARM Principal Payment Per Fannie Mae Participation X 12) **plus** (Sum of 12 months of actual debt service payments Debt Service Payments should be interest amount plus rate cap escrow payment less rate cap disbursement/reimbursement amount.) | | (Structured ARM Principal Payment Per Fannie Mae Participation X 12) **plus** (Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100) | |
| **Variable Rate, Partial IO (Updated Formula)** | Sum of 12 months of actual debt service payments while loan is in its IO period. Debt Service Payments should be interest amount plus rate cap escrow payment less rate cap disbursement/reimbursement amount. | | (Structured ARM Principal Payment Per Fannie Mae Participation X 12) **plus** (Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100) | |
| **Variable Rate, Full IO (Updated Formula)** | Sum of 12 months of actual debt service payments while loan is in its IO period. Debt Service Payments should be interest amount plus rate cap escrow payment less rate cap disbursement/reimbursement amount. | | Current UPB X *for Actual 360* , Interest Rate/100*365/360 OR *for 30/360* , Interest Rate/100 | |

- Utilize this chart to calculate the annualized payment for New and Existing Mortgage Loans for the UW NCF IO at Facility Calculation:

| CALCULATION OF Annualized DEBT SERVICE TO BE USED FOR UW NCF DSCR IO at Facility (only populate when partial IO loans are still in the IO period) | | | | |
|---|---|---|---|---|
| **Interest Type** | **Existing Loan** | | **New Loan** | |
| | **Principal Payment** | **Interest Payment** | **Principal Payment** | **Interest Payment** |
| **Fixed Rate, Amortizing** | Original P&I Due Fannie Mae X 12 | | Original P&I Due to Fannie Mae X 12 | |
| **Fixed Rate, Partial IO** | Current Interest Payment as shown in the servicing system X 12 (when loan is in the IO Period)<br><br>Current Monthly payment x 12 (when loan is out of the IO Period) | | Current UPB X *for Actual 360* , Interest Rate/100*365/360 OR *for 30/360* , Interest Rate/100 | |
| **Fixed Rate, Full IO** | Current Interest Payment as shown in the servicing system X 12 | | Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100 | |
| **Variable Rate, Amortizing** | (Structured ARM Principal Payment Per Fannie Mae Participation X 12) **plus** (Sum of 12 months of actual debt service payments. Debt Service Payments should be interest amount plus rate cap escrow payment less rate cap disbursement/reimbursement amount. 2) | | (Structured ARM Principal Payment Per Fannie Mae Participation X 12) **plus** (Current UPB X for Actual 360, Interest Rate/100*365/360 OR for 30/360, Interest Rate/100) | |
| **Variable Rate, Partial IO (Updated Formula)** | Sum of 12 months of actual debt service payments while loan is in its IO period. Debt Service Payments should be interest amount plus rate cap escrow payment less rate cap disbursement/reimbursement amount. | | Current UPB X *for Actual 360* , Interest Rate/100*365/360 OR *for 30/360* , Interest Rate/100 | |
| **Variable Rate, Full IO (Updated Formula)** | Sum of 12 months of actual debt service payments while loan is in its IO period. Debt Service Payments should be interest amount plus rate cap escrow payment less rate cap disbursement/reimbursement amount. | | Current UPB X *for Actual 360* , Interest Rate/100*365/360 OR for *30/360* , Interest Rate/100 | |

- Lender transaction name should identify what the Pool/Loan transaction type is.
  - Example: Borrow Up, Tranche Refi, Substitution Advance, Addition
- Lender comments field needs to include the DUS Gateway® ID and Loan Option ID used from the Approval. In addition, if a Buydown was used, enter the Buydown points and the amount paid by the borrower.
  - DUS Gateway® abbreviation: GW
  - Loan Option abbreviation: LO
    - Example:
    - GW: 123456
    - LO: LO123456

- Complete the remainder of the required entries on the page and click Save.
- Click the Servicer Loan number link to be taken to the loan page.
    - Tier Drop Eligible should be NO, as Credit Facilities are not Tier Drop Eligible.
    - Fannie Mae Participation is **ALWAYS** 100 unless you are advised different.
    - Green Financing should be left blank as this is no longer available for Credit Facilities.
    - Once all the data is populated, Click Save to save all data.
- Prior to submitting MBS Pool data, the Lender must address all MSFMS system business rules by "validating" the data which will identify any "errors" or discrepancies between the entered data and the allowable terms.
    - Certain additional edits will fire because of the status of other records submitted in MSFMS:
        - New Deal edits such as *DSCR can't be calculated at this time* and the *Fee Group must be associated to one collateral in an Active, Release Requested or Release Pending state*: These edits are firing because the collateral has not been activated at the time of submission. The user may continue with "Submit for Review" Securitization as these edits will clear when the collateral becomes active.
        - Edits associated with Borrow-Up and Addition transactions are often related to LTV calculations. Updated Property values may not be reflected as such in MSFMS due to timing considerations; if the approved, updated values were used in your calculation, the edit may be ignored, and the user may continue with a "Submit for Review" as these edits are waivable.
        - When data entry and validation is complete, click either "*Submit" for Securitization* or "*Submit for Review"*. In the event of a "*Submit for Review*", please enter a comment that speaks to the edits.

The lender must submit the MBS Pool data necessary for securitization, via MSFMS, no later than 5:00 p.m. Eastern Time at least 10 Business Days prior to (but not including) the Book-Entry Date.

For MBS Mortgage Loans (other than those Loans delivered as Same Month Pooling option), the Book-Entry Date must be before the first scheduled monthly payment date of the Mortgage Loan, and the first monthly payment to the MBS Investor is the first monthly payment due under the Mortgage Loan. For example, with a first monthly payment date of May 1 for the Mortgage Loan, the Book-Entry Date must occur no later than April 30 (with the first payment due to the MBS Investor in May).

### (b) Correcting Data Submissions

If the Lender believes that a discrepancy or "error" message generated by MSFMS is related to a waiver that Fannie Mae has approved or if the Lender believes the data to be correct, the user may submit for securitization as a "submit for review," and provide an explanation of the issue. The Multifamily Acquisitions Structured Team will review the submission, and either override the "error," or return the MBS data submission to the Lender for correction. If returned to the Lender for correction, the Lender must revise the MBS data accordingly and then again "submit for securitization".

Once the MBS pool is in a "submitted" state and a discrepancy is found during a Certification review and/or the Lender realizes any of the submitted data is incorrect, then an email request must be sent to multifamily_spot@fanniemae.com, requesting a change. The subject line should read: "MSFMS Change Needed" with the deal name and pool number. The body of the email should include the following information:

- Deal name;
- Deal ID;
- Pool Number;
- Change Type: Update Pool page or Update Loan page;
- Field name that requires the change;
- Current data for field in MSFMS; and
- Requested Data that the field should be changed to.

### (c) Wiring and Delivery Instructions; Purchase

On the Book-Entry Date, Fannie Mae will issue and deliver the MBS electronically through the Federal Reserve book-entry system in accordance with the wiring instructions provided by the Lender in MSFMS. The wiring instructions can be changed in MSFMS after the MBS has been submitted for securitization up to the Book entry Date. Any changes required must utilize the data change request process referenced above. The Lender's MSFMS submission must include complete and accurate wiring instructions for the Security as well as the correct amount to be wired.

> **NOTE:** *The Account ID field has a character limit; if your Account ID will not fit in this field, please input the entire Account ID in the Lender comments section of the Pool page.*

### (d) Funding Paths

The Lender may submit wiring instructions in MSFMS for delivery of the MBS via the Federal Reserve book-entry system either to the Lender's own account or to the account of the Lender's designee. In a separate transaction (not via MSFMS), the Lender or the Lender's designee will then deliver the MBS to the MBS Investor, also via the Federal Reserve book-entry system. The Federal Reserve will simultaneously credit the MBS Investor's account with the MBS, debit the MBS Investor's account for cash, and credit the MBS proceeds to the Lender.

The Lender may also opt to submit wiring instructions for delivery of the MBS directly to the MBS Investor's account. In such event, upon receipt of the MBS, the MBS Investor will wire payment to the Lender in accordance with previously agreed terms.

## 2. Cash Mortgage Loans

### (a) Data Submission

For Cash Mortgage Loans originated in connection with a Structured Transaction, the Lender must submit the required loan data in C&D no later than 10 Business Days prior to (but not including) the purchase date of the Cash Loan. The Lender should follow the same process as required for non-Structured Transactions, with the following exceptions:

- Collateral Page: No data needs to be entered on this page at the time of submission of the Mortgage Loan for purchase by Fannie Mae. Instead, the complete Property and underwriting data, including the rent roll data submission, is entered in MSFMS.
- Hedge Page: Instead of completing the "hedge" tab in C&D, the Lender will enter hedge data in MSFMS.

### (b) Payee Codes; Purchase

For Cash Mortgage Loans, the Lender must enter in C&D, the payee code associated with the specific Lender account at the institution to which the loan proceeds are to be wired. If requested, Fannie Mae will assign wire transfer payee codes for your Cash Mortgage Loan proceeds. Each payee code is associated with a specific account and financial institution. You may not transfer codes between your accounts or with other Lenders. Please refer to the Seller's Designation of Wire Transfers Instructions (Form 482) and Certificate of Authority, Incumbency, and Specimen Signatures (Form 360) for payee code information.

For Cash Mortgage Loans, Fannie Mae will:

- Purchase the Mortgage Loan 48 hours after completing the certification process, or requested purchase date if beyond 48 hours;
- Wire the purchase amount via the wiring instructions submitted in C&D;
- Disburse funds according to the timing [requested/approved] herein and to the payee codes you submitted in C&D; and
- Issue you a detailed electronic purchase advice (for each Mortgage Loan) that lists components of the net disbursement including purchased principal, any accrued interest, prepaid interest, or returned fees.

### 3. Credit Enhancement Mortgage Loans

For a Credit Enhancement Mortgage Loan involving the credit enhancement of a bond transaction that is originated in connection with a Structured Transaction, the Lender must submit the required bond and loan data in C&D. Please contact the Multifamily Acquisitions Structured Transactions team for timing and requirements associated with your specific transaction, as the timing requirements for delivery and purchase of Credit Enhancement Mortgage Loans is often different than for standard MBS and Cash Mortgage Loans.

## F. Delivery of Executed Structured Transaction Loan Documents (Step 5)

Fannie Mae's designated outside counsel will deliver the final, executed Structured Transaction Loan Documents (Folder I) to Fannie Mae's Multifamily Certification and Custody Team as well as uploading to DUS DocWay™. The Lender and the Lender's counsel must work with Fannie Mae's outside counsel to ensure that all Structured Transaction Loan Documents are complete and properly executed in advance of delivery to Fannie Mae, allowing enough time to ensure that the Folder I documents are received by Fannie Mae at least 10 Business Days prior to (but not including):

- the purchase date for Cash Mortgage Loans; and
- the Book-Entry Date for MBS Mortgage Loans.

# VI. MBS Disclosure

Fannie Mae uses a standard disclosure when the MBS is issued that includes the Multifamily MBS Prospectus and an Annex A. Data entered in MSFMS will be utilized to populate the disclosure documents, so please ensure that all information is complete and accurate.

Lenders may access the current Multifamily MBS Prospectus documents at www.FannieMae.com that contain information for Investors, including:

- a general description of Fannie Mae's multifamily mortgage business;
- disclosure of general risk factors related to the MBS;
- the types of multifamily mortgage loans that Fannie Mae securitizes; and
- the types of properties that secure multifamily mortgage loans.

MSFMS automatically flags Additional Disclosure for all Structured Transactions, so the Lender does not need to specifically indicate that Additional Disclosure is required.

Fannie Mae will post the Multifamily MBS Prospectus and Annex A on DUS Disclose at least 2 Business Days before the MBS Book-Entry Date.

You must:

- review the Multifamily MBS Prospectus and Annex A (and, for Additional Disclosure, any Addendum to the Prospectus and/or footnote to the Annex A); and
- notify Fannie Mae of any inaccuracies before the Book-Entry Date.

The Annex A that is sent for review and approval is primarily populated with data coming from MSFMS. Frequently asked questions regarding Annex A data include:

- Pool tab:
    - The MBS First Payment date doesn't match the first payment date listed on the loan page of MSFMS, why not? The MBS First Payment date is the date of the first payment made to the Investor and not the first payment made by the borrower.
- Loan and Property tabs:

- I am unable to calculate the values in the Loan Issuance UPB/Unit field, how is this being calculated? This field is calculated by the DUS Disclose™ system which has been tested and is performing as expected
- Shouldn't the Property value as of Date be the Appraisal date? MSFMS does not have a separate field to capture the Appraisal date for the property; therefore, the date the Property is Activated in MSFMS becomes the property value as of date.
- Why are the UW EGI and UW TOE field blank? These fields are expected to be blank and only the total UW NCF is populated.
- Shouldn't Cross Collateralized and Cross Defaulted field state Yes, as this a Credit Facility? These fields are expected to say N when it's a new deal and only 1 Pool and Loan are being issued as the initial advance. The value in these fields will change to Y at the next advance.

# VII. Additional Activity/Features of Structured Transactions

## A. Collateral Activity

If permitted by the terms of the Structured Transaction Approval and the related Structured Transaction Loan Documents, the collateral activity below may be available for a Structured Transaction.

A collateral addition, release, and substitution will occur under the initial MSFMS Deal ID and the Lender does not need to create a new transaction in MSFMS.

### 1. Collateral Addition - Add New Collateral to an Existing Structured Transaction

To add a Property as collateral in a Structured Transaction, the Lender must submit a request to the Fannie Mae Deal Team. The Fannie Mae Deal Team will determine whether the conditions to a Property addition set forth in the Structured Transaction Loan Documents have been satisfied. Upon receipt of the Structured Transaction Approval from Fannie Mae approving the addition, the Delivery process for a collateral addition is the same as the Delivery process described above in the Deal Participants and Collateral Data Delivery section of this job aids for new Structured Transactions. Review the Approval and applicable loan documents, such as the MCFA and MATS Addendum to confirm any fees due.

### 2. Collateral Release - Request a Release of Collateral from an Existing Structured Transaction

To release a Property from a Structured Transaction, the Lender must submit a request to the Multifamily Asset Management Portal pursuant to Part V, Section 416.

The Multifamily Specialty Products Underwriting Business Analyst will determine whether the conditions to the release set forth in the Structured Transaction Loan Documents have been satisfied. Upon receipt of the Structured Transaction Approval from Fannie Mae approving the release and the closing of the release, the Lender must change the collateral status in MSFMS to "release requested." A release fee may be due under the Structured Transaction Loan Documents, the Structured Transaction Approval, or the MATS Addendum. The Lender must remit any applicable release fee within 1 Business Day of closing and releasing the collateral. In the event the Lender needs to change the release date, the Lender must notify the Multifamily Structured Asset Management Team as well as the Multifamily Acquisitions Structured Team.

- If a release of collateral requires a paydown then the Lender must submit a Payoff Request in the Payoff Calculator upon receipt of the Structured Asset Management approval.

1 Submit the Payoff in the Payoff Calculator at least 10 business days prior to the intended payoff date.
   - Structured Loan indicator should be Yes.
   - Release Fee split (if applicable) should be entered in the Additional Amounts due section .

2 Upload the Fannie Mae Approval for the Release.

- Requesting release of collateral in MSFMS should only be done once the closing has been confirmed for the release of the Mortgaged Property.
- **Reminder**: Lender Collateral Manager role is needed to complete the release of collateral in MSFMS:

3 Click on the Collateral Tab of MSFMS;

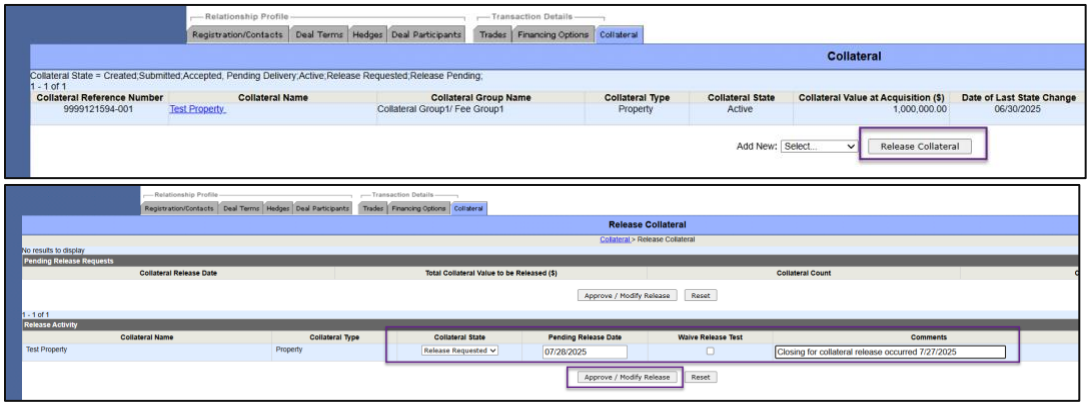
4 Click on the Release Collateral button;

5 Select Release Requested from the Collateral State drop down for the collateral that requires release from the Release Collateral screen;

- The Pending Release Date is the actual date the action is being taken in MSFMS;

6 Enter a comment in the comments section such as "Paydown/Payoff occurred on 5/8/2020"; and

7 Click Approve/Modify Release to complete the process. The collateral state should say "Release Requested" once complete.




## 3. Collateral Substitution - Substitute Collateral into an Existing Structured Transaction

A substitution is the replacement of an existing collateral with a new property. A request for the substitution of a Property must be submitted to the Multifamily Structured Asset Management Team as set forth in Part V, Section 416 of the Guide. Fannie Mae will determine whether the conditions to the substitution as set forth in the Structured Transaction Loan Documents have been satisfied. If approved, the Lender must follow the process described above for delivering collateral data for collateral additions and the release of existing collateral within MSFMS. In some cases (if provided for in the Structured Transaction Loan Documents), a delayed substitution (referred to as a Staggered Substitution) may be permitted by Fannie Mae. Upon the release of Property collateral, the Lender must post cash, a Letter of Credit, or other permitted replacement collateral as set forth in the Structured Transaction Loan Documents until an acceptable new Property is substituted as collateral. In any event, the new collateral must be added within 90 days or some other agreed upon timeframe as set forth in the Structured Transaction Approval or the Structured Transaction Loan Documents. A substitution fee (or an addition fee and release fee) may be due in accordance with the Structured Transaction Loan Documents, the Structured Transaction Approval, and/or the MATS Addendum.

- Staggered Substitutions require the submission of a Substitution Deposit request of confirmation. This document should be in the form a manual payoff calculation. The MCFA will provide instructions regarding the amounts that make up the Substitution Deposit amount. Once the substitution deposit amount is finalized, send your calculations to multifamily_spot@fanniemae.com as Fannie Mae must confirm the calculations.
- The Fannie Mae Spot Analyst working on the transaction will then forward the final substitution deposit confirmation to you, as well as the designated outside counsel handling the transaction.
- On or within one business day of receiving closing notification, a Cash Collateral record equal in amount to the Property Collateral being substituted must be submitted in MSFMS to serve as a temporary replacement until the new Property Collateral is delivered. This is Part 1 of the 2-part process of a Staggered Substitution.
- Submitting a Cash Collateral in MSFMS:
    - Navigate to the Collateral tab and Select "Other" from the Add New drop down;

- Collateral Value and Collateral Group value should be the amount of the Staggered Substitution Deposit Amount;
- Other Collateral Type should be Cash;
- Collateral Description should be Sub Col (property name being released, as much as can fit);
- Collateral Provider name is Lender name;
- Collateral Backer Tax ID is Lender Tax ID;
- Collateral Purpose is Substitution;
- Collateral Expiration date is the Property deadline pursuant to the Substitution Deposit Confirmation;
- Click Submit once all the data is complete; and

Request Release of the collateral being substituted following steps in the Collateral Release section above.

After the Substitute Property has been identified and approved by Fannie Mae, it must be submitted in MSFMS no later than 5 business days after receipt of the closing confirmation. Refer to Section B of this job aid for guidance on the collateral submission process.

> **NOTE:** *The Substitution field should be 'Yes'. Applicable fees must be wired no later than 1 business day after the closing date. This is Part 2 of the Staggered Substitution.*

## B. Servicing and Asset Management

In addition to the activities noted above, Part V of the Guide addresses other asset management decisions and actions that may require the Lender to deliver documents and/or data to Fannie Mae.

Upon approval of those decisions and actions referenced in Part V of the Guide, the Lender must complete the following asset management actions, as applicable, to complete or update the transaction:

- For Delivery of new or modified Structured Transaction Loan Documents, the requirements noted above apply;
- For transfers or assumptions, the Lender must submit new deal participant data in accordance with the requirements noted above;
- For renewal, replacement, or modification of an Interest Rate Hedge, the Lender must enter the new data into MSFMS in accordance with the requirements noted above, and the terms and conditions for any such renewal, replacement, or modification will be set forth in the Structured Transaction Approval; and
- For any other activities relating to a Structured Transaction, the Lender must follow the terms and conditions set forth in the Structured Transaction Approval and may contact the Multifamily Acquisitions Structured Team for assistance.

# VIII. Contact Information

| Team | Email |
|---|---|
| Multifamily Acquisitions Structured Team | multifamily_spot@fanniemae.com |
| Certification & Custody Team | MultifamilyCertification-Group-FWD@fanniemae.com |
| Multifamily Disclosure | mfmbs_disclosureqa@fanniemae.com |
| DUS DocWay | DUSDocWay_Support@fanniemae.com |
| Capital Markets Operations | capmktsops_settlements@fanniemae.com |