

# **Multifamily MBS DUS Pool Delivery**

Mornet Quick Reference Guide

System Fundamentals . . . . . Page 2

Entering a New Contract . . . . . Page 4

Entering a New Pool . . . . . Page 6

Entering Loans . . . . . Page 8

Delivery Schedule . . . . . Page 12

Editing the Pool and Loan Data . . . . . Page 13

Transmitting the Pool and Loan Data . . . . . Page 14

Schedule A . . . . . Page 15

Making Delivery Corrections . . . . . Page 18

# Table of Contents

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*The following instructions assume that the lender has executed and returned to Fannie Mae® a Master Electronic Delivery Agreement (MEDA). Questions concerning MEDAs should be addressed to Multifamily Operations at (202) 752-7024/3368.*

## **MORNET MANAGER® INSTALLATION/CONFIGURATION**

Before installing and using the MBS Pool Submission System® (Poolsub®), you must first install **MORNET Manager 2.03** or higher. **MORNET Manager** is the Disk Management System which provides access to Poolsub and other MORNET software systems located on your PC. For installation and configuration instructions, please see the user documentation accompanying the **MORNET Manager** software, **Chapter Two: Getting Started**. If you have problems or question concerning **MORNET Manager** or other MORNET software applications, contact the MORNET Hotline at 1-800-752-6440 from 8:00 a.m to 6:00 p.m. eastern time.

## **POOLSUB USERNAME AND MAILBOX ADDRESS**

The first time that Poolsub is used, the system prompts the user to complete the lender data, including the Mailbox, Username and Password. These are important because Fannie Mae is only authorized to act upon the data transmitted by the specific Mailbox assigned to your organization. **(Note: If you need a new username and password, contact the MORNET Hotline at 1-800-752-6440)**

## **CUSTODIAN FIN NUMBER AND MAILBOX ADDRESS**

An important feature of MORNET is that data transmitted via Poolsub can be verified electronically by the Document Custodian utilizing another MORNET application. **The Document Custodian for MBS/DUS Pools is Fannie Mae.** Each time a pool is transmitted over Poolsub, the Financial Institution Number (FIN) of Fannie Mae must be selected by the lender to accommodate this electronic certification.

<b>Custodian Name</b>	<b>FIN</b>	<b>Custodian Mailbox</b>
Fannie Mae	10000099914	MFOPS.CCS

The Document Custodian Information is stored in Poolsub. Follow the instructions listed below to setup the Custodian Signature Information:

# System Fundamentals

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- ☛ Select **Shipping** from the **MORNET Manager Main Menu**
- ☛ Select **MBS Delivery**
- ☛ Select **Pool Submission System**
- ☛ Select **9) Configure System**
- ☛ Select **5) Custodian Signature Information**
- ☛ Press **F9** to add a new instruction
- ☛ Type the information you want stored

*For example:*

<b>Custodian Name:</b>	Enter <b>Fannie Mae</b>
<b>Financial Institution Number:</b>	Enter <b>10000099914</b>
<b>Custodian Mailbox</b>	Enter <b>MFOPS.CCS</b>

- ☛ When you have completed all instructions, press **Esc** to save and return to the **Configure Menu**

**Next, you must configure the Plan Parameters to accommodate Multifamily MBS/DUS Fixed-Rate and Adjustable-Rate MBS/DUS Credit Enhancements.**

**From the Pool Submission System Main Menu, Select 9) Configure System**

- ☛ Select **9) Pool Submission Tables**
- ☛ Select **7) Plan Parameter Information**
- ☛ For Plan 00000 Fixed, change the Pass-through Rate Divisor to 0.00
- ☛ Press **F9** to save the changes and add a new plan
- ☛ For 10year Remarketing Credit Enhancement enter plan 01480  
For 7year Remarketing Credit Enhancement enter plan 01479  
For 5year Remarketing Credit Enhancement enter plan 01478


Also, type in a plan description which will help you to identify the plan for future use.

# System Fundamentals

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The following fields should be completed:

<b>Pass-Through Rate Divisor</b>	Enter 0.00
<b>Negative Amortization Limit</b>	Enter 100
<b>First Payment Date Flag</b>	Enter M
<b>MBS Margin Divisor</b>	Enter 0.00
<b>Minimum Service Fee</b>	Enter 12.50
<b>Maximum Spread</b>	Enter 200.00
<b>Maximum Initial Note Rate</b>	Enter 999.99
<b>Minimum Mortgage Interest Rate</b>	Enter 0.00
<b>Maximum Mortgage Interest Rate</b>	Enter 999.99
<b>Allowable Life Service Fee Change</b>	Enter 999.99
<b>Maximum Mortgage Margin</b>	Enter 999.99
<b>Maximum Original Term</b>	Enter 360
<b>Minimum First Pay Date</b>	{For 10 year enter 120 }
<b>Maximum First Pay Date</b>	{For 7 year enter 84 }
<b>First Payment Adjustment Period</b>	{For 5 year enter 60 }
<b>First Rate Adjustment Period</b>	{ " " " " " }
<b>Per Adjustment Cap</b>	Enter 0.00
<b>Maximum Lifetime Cap</b>	Enter 0.00

 Press **Escape** to save the plan parameters.

# System Fundamentals

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Finally, because GSE housing data is not collected via PoolSub for Multifamily loans, we need to turn off the edits for this data.

- ESC Select 9) **Configure System**
  - ESC Select 1) **Pool Report Setup**
  - ESC Change the field "EDIT FOR BLANK BORROWER INFORMATION" to "N"
- Press Escape to Save the data.

## Entering a New Contract

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The process of delivering Pool information to Fannie Mae consists of four parts:

- ✓ Contract Commitment
- ✓ Pool Information
- ✓ Loan Information
- ✓ Delivery Information

MBS/DUS commitments are obtained via the Fannie Mae Commitment Window. After the commitment is confirmed, and the loan and pool data are complete, the lender can begin entering the data into Poolsub.

### From the Poolsub Main Menu:

- ☛ Select 1) **Maintain Contract Information**
- ☛ Press **F9** to add a new contract

A brief description of each of the fields follows:

- Contract Number** for MBS/DUS, each pool will have its own contract number, obtained by substituting the Fannie Mae property regional office character designation (A-Atlanta, C-Chicago, D-Dallas, L-Pasadena, P-Philadelphia) for the first character of the pool number. For instance, pool number 073555 for a property in the Dallas region would have a contract number of **D73555**
- Description** an optional 20-character field for contract information
- Contract Amount** the estimated UPB of the security, per the commitment confirmation
- Transmitted Balance** *computed by the system*
- Effective Month** the month and year that the commitment was made with the commitment window at Fannie Mae (**MM/YY**)
- Expiration Month** the last month during which your contract must be fulfilled (**MM/YY**)

## Entering a New Contract

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### Foreclosure Loss

**Risk Code (FLRC)** all MBS/DUS should have a FLRC of 'M'.

### Guaranty Fee

per the commitment, the rate at which guaranty fees will be drafted monthly on the pool's balance (in basis points). **(NOTE: If there are multiple loans being delivered under the same pool number, and there are various guaranty fee rates, then each Guaranty Fee Rate must be keyed—i.e. FLRC=M, GuarFee =25; FLRC=M, GuarFee = 35, etc.)**

### Edit Parameters

**Section** this area should be ignored for MBS/DUS

Press **F9** to add another contract or **ESC and 'Y'** to save contract data. Press **ESC** to return to the Poolsub Main Menu to add pool and loan data.



# Entering a New Pool

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After completing the contract information, your next task is to enter the pool information that comprises the Schedule of Mortgages.

## From the Poolsub Main Menu:

- ☛ Select **2) Maintain Pool Information**
- ☛ Select **F9** to add a new pool

A brief description of the fields follow:

<b>Pool Number</b>	enter the six-digit pool number assigned at time of commitment <b>(the seventh character (suffix) is currently for single-family use only)</b>
<b>Financial Institution Number (FIN)</b>	for MBS/DUS, the FIN is specific to the Fannie Mae property regional office. Hit <b>ENTER</b> , and select the appropriate Fannie Mae office from the pop-up table.
<b>Amortization Type</b>	enter <b>1</b> for Fixed Rate-fully amortizing; <b>2</b> for Balloon and Interest Only; <b>6</b> for ARM
<b>Loan Type</b>	enter <b>3</b> for Conventional
<b>Pool Type</b>	default = 'S', press <b>ENTER</b>
<b>Plan Number</b>	FOR ARMS ONLY for 10-year re-marketing, enter 01480; for 7-year re-marketing, enter 01479; for 5-year re-marketing, enter 01478
<b>Pool Issue Date</b>	enter month and year in which security will be issued <b>(MM/01/YY)</b>
<b>Delivery Date</b>	enter the date the security will be wired <b>(MM/DD/YY)</b> (also referred to as the <b>BOOK-ENTRY DATE</b> )
<b>Pass-Through Rate</b>	enter the MBS pass-thru rate per the commitment confirmation
<b>Participation Percent</b>	system defaults to <b>100</b> ; press <b>ENTER</b>

## Entering a New Pool

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<b>Remittance Day</b>	the calendar day on which the monthly P & I remittances are drafted by Fannie Mae from the servicer's account), system defaults to <b>18</b> ; press <b>ENTER</b>
<b>Pool Feature Codes</b>	leave <b>BLANK</b> for Multifamily
<b>Balloon</b>	enter <b>Y</b> or <b>N</b> to indicate whether pool is a balloon-mortgage pool (enter <b>Y</b> for Interest only pools also)
<b>Interest Only</b>	enter <b>Y</b> or <b>N</b> to indicate whether pool is an interest-only pool
<b>Multifamily</b>	enter <b>Y</b> to indicate a Multifamily pool
<b>Assumable</b>	enter <b>Y</b> or <b>N</b> to indicate whether loans in pool are assumable (all MBS/DUS are Assumable)
<b>Accrual Rate Method</b>	enter <b>S</b> ; for ARMs enter <b>W</b>
<b>ARM Flex</b>	For ARMs enter <b>Y</b>
<b>Standard Lookback Days</b>	For ARMs enter <b>001</b>
<b>Rounding Feature Code</b>	leave blank
<b>MBS Margin</b>	For ARMs enter <b>0.00</b>
<b>Fixed Servicing Fee</b>	For ARMs enter the pool's Servicing Fee in basis points (25.00; 37.50); otherwise leave blank
<b>Minimum Pool Accrual Rate</b>	enter <b>0.00</b>
<b>Maximum Pool Accrual Rate</b>	enter <b>99.999-SPREAD</b>

## Entering a New Pool

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**Note:** Page 2 of the Pool Entry screen is used to calculate loan level buyup/buydown fees. However, for MBS/DUS, loan level guaranty fee options are not used.

Follow the instructions listed below to complete this screen:

- ☒ Type an **X** beside option **2. No Buyups or Buydowns**
- ☒ **Desired Servicing Fee:** enter servicing fee rate per the commitment confirmation

# Entering Loans

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After you complete your pool-level information, you need to enter your loan information. There are two ways to get to the Loan Entry screen. If you at the **Pools sub Main Menu** select **3) Maintain Loan Information** or if you are currently on the **Pool Entry** screen press **F2**.

A brief description of the fields follow:

<b>Loan Number</b>	enter the lender-assigned loan number used to identify this loan on your records
<b>Date of Mortgage Note</b>	enter the date the note was executed (MM/DD/YY)
<b>LTV Ratio</b>	enter the LTV in whole numbers (i.e. 75 for 75%, etc)
<b>Section of the Act</b>	leave blank for MBS/DUS
<b>MI Code</b>	leave blank for MBS/DUS
<b>MI Certificate Number</b>	leave blank for MBS/DUS
<b>MI % Coverage</b>	leave blank for MBS/DUS
<b>MI Adjuster Flag</b>	enter 'N' for MBS/DUS
<b>Original Term</b>	enter the amortization period of the loan in months
<b>Note Rate</b>	enter the current interest rate for the loan as of the pool issue date
<b>First Payment Date</b>	enter the date of the first loan payment, as per the note (MM/01/YY). ( <b>Note:</b> Fannie Mae assumes all loans have a payment date of the 1st of the month. For loans with odd-due dates (other than the 1st) the payment date should be considered

## Entering Loans

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due the 1st of the subsequent month. For instance a loan with a first payment of April 15, 1990 should be entered as 05/01/90. Accordingly, if the loan is a balloon, its call date would be adjusted accordingly.)

<b>Original Loan Amount</b>	enter the principal balance of the loan at time of origination
<b>Constant P&amp;I</b>	enter the current monthly constant principal and interest payment as of the issue date of the pool
<b>Issue Date UPB</b>	the scheduled balance of the mortgage as of the Issue Date of the pool. (This should reflect the balance after the scheduled payment for the issue month has been applied)
<b>Last Payment Date</b>	the due date of the last installment collected on the loan as of the date the pool is delivered. For loans whose first payment is the Issue Date of the pool, and has not yet been collected, enter the first day of the month preceding the first payment date
<b>Current UPB</b>	enter the actual unpaid balance of the loan as of the last paid installment
<b>Special Feature Codes</b>	enter '053' to indicate an MBS/DUS prepayment fee provision; enter '042' to indicate the special shared risk characteristics of MBS/DUS

(**Note:** Codes may have to be added to your Special Feature Code Table. From the Poolsub Main Menu, select **9) Configure System**, then **9) Pool Submission Tables**, select **Special Feature Code Table**. Press **F9** to Add, then type the new code (053 and 042). Press **ESC** to confirm and return to the Main Menu.)

You have now completed the first page of the Loan Entry screen, press **PgDn** to go to Page 2.

## Entering Loans

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<b>Property Address</b>	the address of the subject property, including property number, street, city, state, and zip
<b>Owner Occupancy</b>	leave blank for Multifamily
<b>Number of Units</b>	enter the number of dwelling units on the property
<b>Eligible Rents</b>	leave blank for Multifamily
<b>Number of Bedrooms</b>	leave blank for Multifamily
<b>Project Type</b>	enter 1 for COOP lender-approved enter 2 for COOP Fannie Mae approved leave <b>Blank</b> if not applicable
<b>Year Home Built</b>	enter the year the subject property was constructed
<b>Appraisal Amount</b>	enter the appraised value of the property
<b>Purchase Price</b>	leave blank for Multifamily

You have now completed the second page of the Loan Entry screen, press **PgDn** to go to Page 3.

### CONTRACT AND GUARANTY FEE INFORMATION

<b>Guaranty Fee Per Contract</b>	Enter the Guaranty Fee Rate for this loan
<b>Guaranty Fee After APM</b>	Enter the Guaranty Fee Rate for this loan
<b>Guaranty Fee After Buyup/Buydown</b>	Enter the Guaranty Fee Rate for this loan

# Entering Loans

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**Buyup/Buydown Per Basis Point**            leave blank for Multifamily

## VARIABLE PAYMENT RATE INFORMATION

**Minimum Interest Rate**    For ARMs only enter 0.00

**Maximum Interest Rate**    For ARMs only enter 99.999

**Mortgage Margin**            For ARMs only, enter the amount added to the re-marketed rate to determine the new Note Rate, per the Note Addendum. This amount should be equal to the Servicing Fee plus the Guaranty Fee.

**Original Note Rate**            For ARMs only enter the Original Note Rate

**First Payment Change Date**    For ARMs only, enter the date that the re-marketed rate's payment becomes effective (MM/01/YY)

**First Rate Change Date**        For ARMS only, enter the date that the re-marketed rate becomes effective (MM/01/YY)

**Balloon Call Date**            the maturity date of the mortgage if it will pay off before the natural expiration of its term, as the result of a call option or required balloon payment (MM/01/YY). **Required for all Balloon Loans, and Interest Only Loans.**

**Interest Only End Date**        for loans with an interest only provision, enter the date of the first amortization payment (MM/01/YY), or if Interest only for the life of the loan enter the Maturity Date of the Loan.

You have completed all of the necessary pages of the Loan Entry screens (Page 4 data is not applicable to Multifamily MBS). Press **Esc** to return to the Main Menu.

# Delivery Schedule

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After completing your pool and loan information, you must provide delivery information for the pool.

## From the Poolsub Main Menu:

- ☛ Select **4) Maintain Delivery Schedule**
- ☛ Select the pool to be delivered

A brief description of the fields follow:

**CUSIP Number**                    enter the Cusip Number assigned with the pool number

**Telegraphic Abbreviation**        enter the Fedwire designation of the institution to receive the security (i.e. BNY/MBS; CHEM/NYC; etc.)

**Receiver Sub-Account**            complete this field for sub-account information

**ABA Number**                        enter the 9-digit ABA number of the institution

**Owner Account Name/ Number**        enter the account name and account number of party receiving the security at the institution

**Fannie Mae CSTD Trade Number**        if you are delivering the security to Fannie Mae, enter the trade number assigned by the Customer Service Trading Desk

**Delivery Instruction Amount Issues**        enter the amount of the security to be delivered to this institution

- ☛ Press **F9** to save this entry and add another instruction, or press **Esc** to save current instruction.



## Editing the Pool and Loan Data

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One of the features of Poolsub is its ability to check your pool information before you transmit it to Fannie Mae. This check, called an edit, ensures that the information you send to Fannie Mae is accurate. The edit process is a mandatory part of Poolsub. Before you can transmit your pool data to Fannie Mae, it must be edited. You should run the package edit after all your loan information is entered for the pool.

### **From the Poolsub Main Menu:**

- ☛ Select **2) Maintain Pool Information**
- ☛ Select the Pool to be edited
- ☛ Press **F6** to run a package edit

When completed, enter 'Y' at the "**Print Package Edit Report**" prompt.

***ONCE ALL ERRORS HAVE BEEN CORRECTED, THE POOL IS READY TO BE TRANSMITTED***

## Transmitting the Pool and Loan Data

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After entering and editing your pool and loan data, your next step is to transmit that information to Fannie Mae.

When you are ready to transmit your loans, select **6) Transmit Pools** from the Poolsub Main Menu. Poolsub displays a submenu with two options select **1) Transmit Complete Pool Data**. Select the pool(s) to be transmitted, and press **F10** to transmit. Poolsub will format the data, connect to the network, and transmit the data. Each transmission is given a confirmation.

You can view the transmission log by selecting **Print Report** from the **Poolsub Main Menu**, then selecting **Transmission Log**.

## Schedule A

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Approximately two days after transmitting, Fannie Mae will assign each loan within a pool a **Fannie Mae loan number**. These numbers are very important:

- they must be input on the Schedule A, if one is required
- they are the numbers that will be referenced for servicing the pool

### From the Poolsub Main Menu:

- ☛ Select 7) **Retrieve Messages/Updates**
- ☛ Select 1) **Retrieve Messages**

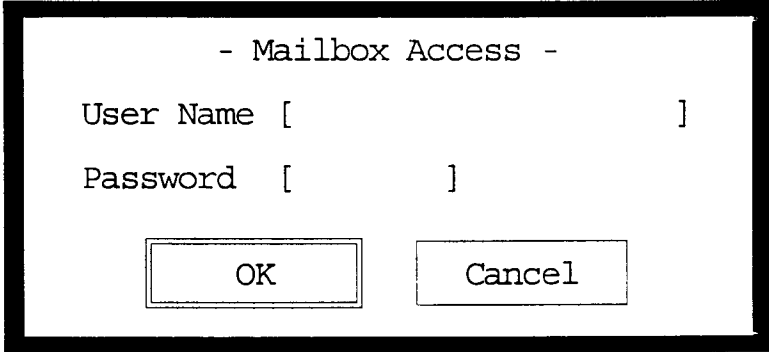
Poolsub will connect to MORNET, retrieve all messages for the lender's mailbox, and display the subject of each message. To retrieve the messages, answer 'Y' to the "**Do you want to view the messages?**" prompt.

Once the Fannie Mae loan number(s) have been received, the Schedule A is completed through the "**Schedule A Service**" available in **MORNET Manager** version 2.03 or higher.

### Listed below are the steps to complete the Schedule A:

1. From the MORNET Manager Main Menu:
  - ☛ Select **Shipping**
  - ☛ Select **MBS Delivery**
  - ☛ Select **Mailbox Access**

The following screen is displayed:



```
- Mailbox Access -
User Name [           ]
Password  [           ]
[ OK ]      [ Cancel ]
```

## Schedule A

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2. If you have not previously entered your Pool Submission System (.PSS) mailbox name and password, enter them now. Use the **TAB** key to move through the prompts. When finished, press **RETURN** to begin the connection process.
3. At the Command? prompt type **C MBS.SCHEDULE.A** and press **ENTER**.
4. Follow the screen prompts to select options or enter information. Press **Enter** after each prompt to accept your entry.
5. To exit from the network, press **Alt+X** to return to **MORNET Manager**.

### Helpful Hints:

#### *To print your Schedule A..*

At the print prompt:

- Press **Ctrl+P** to turn on your printer, if you wish to print the Schedule you are creating.
- When printing is complete, press **Ctrl+P** once again to turn your printer off.

#### *To download your Schedule A onto disk...*

1. At the print prompt:
  - Press **Ctrl+L** to turn on the download (Log) function. A dialog box appears for you to identify where you wish to store this file.
  - Use **Tab** to move through the fields.
  - Type the filename and location where you want to store this file.
2. Press **Enter**. As the Schedule appears on the screen, it is simultaneously downloaded to your specified location.
3. When the download is complete, press **Ctrl+L** to turn off the download function.

# Schedule A

**Example of completed Schedule A:**

SELLER NUMBER: 999999999  
SELLER NAME: ABC Corporation  
AUTHORIZED CONTACT: Chris B. Smith  
CONTACT TELEPHONE: 2021234567

=====

POOL NUMBER: 073002  
FNMA LOAN NUMBER: 1660000000  
PROPERTY CITY: Washington  
PROPERTY STATE: DC  
PROPERTY ZIP CODE: 20016  
PRINCIPAL BALANCE AMOUNT: 10020100.00  
ISSUE DATE: 01/01/1995  
MORTGAGE INTEREST RATE: 9.25  
MATURITY DATE: 12/01/2020  
1ST MONTHLY PAYMENT DATE: 02/01/1995  
ORIGINAL AMORTIZATION TERM: 25  
PREPAYMENT PREMIUM OPTION: Graduated Payment  
PROPERTY TYPE: coop  
TOTAL # OF UNITS: 204  
ANNUAL NOI: 1167256.00  
LTV %: 79.0  
APPRAISED VALUE: 12730000.00  
OCCUPANCY %: 95.89  
DSCR: 1.18

Would you like to:

1. Edit the message
2. Clear and restart
3. Cancel the message and Exit
4. Send

Enter 1, 2, 3, or 4: 4

This message will be transmitted automatically to Fannie Mae.

Thank you for submitting your Schedule A via MORNET.

Msg posted Oct 21, 1994 9:31 EDT MSG: EGJE-7066-4664

# Making Delivery Corrections

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## CORRECTIONS TO LOAN/POOL INFORMATION

This service enables you to submit corrections electronically to MBS pools you have transmitted to Fannie Mae. This service also enables you to send these corrections to your document custodian at the same time they are transmitted to Fannie Mae.

**From the MORNET Manager Main Menu:**

- Select **Shipping**
- Select **MBS Delivery**
- Select **MBS Corrections**

The system will dial up the corrections service, and prompt you for your **Custodian's Mailbox Address**. Enter the appropriate custodian address (**SERO.CCS; NERO.CCS; SWRO.CCS; MWRO.CCS; WRO.CCS**). Complete the remaining system prompts (seller name/number, etc.) and enter the corrected information in the appropriate fields.

When the **Command?** Prompt appears, the session is complete. Enter **ALT-X** to disconnect.

## CORRECTIONS TO DELIVERY INSTRUCTIONS

**ALWAYS CONTACT MULTIFAMILY OPERATIONS FIRST TO LET THEM KNOW OF ANY CHANGES TO DELIVERY SCHEDULES (202-752-3368/7024)**

**From the Poolsub Main Menu:**

- Select **4) Maintain Delivery Schedule**
- Select the pool containing the delivery schedule to be updated
- Update the delivery schedule as needed. To add another wiring instruction hit **F9**

To transmit the revised delivery schedule, select **6) Transmit Pools** from the Poolsub Main Menu. Select **2) Transmit Revised Delivery Schedules**, then select the pool with corrections and hit **F10**. Hit **ENTER** to transmit.