Payoff Quotes – Guidance and Best Practices

Refer to this Payoff Quotes – Guidance and Best Practices for guidance on submitting payoff quotes to Fannie Mae for approval. Please contact your Fannie Mae Servicing representative for additional information.

Tips for using Payoff Calculator:

- Use Google Chrome or Microsoft Edge as the web browser when accessing Payoff Calculator. Internet Explorer is no longer supported in Payoff Calculator and will result in loss of system functionality.

- Do not use a saved bookmark to access eServicing or Payoff Calculator. To login, go to the Apps and Tech page on Fanniemae.com

- Payoff Calculator only allows the following attachment types:

Doc	Docx	Rtf	Xls
Xlsx	Csv	Ppt	Pdf
Htm	Html	Msg	Tif
txt			

Upon receipt of the Borrower's notification of intent to prepay a Mortgage Loan:

- Review all Loan Documents, including the Multifamily Loan Agreement, Mortgage Note, and any applicable addendums, exhibits, modifications, or amendments to verify that the Mortgage Loan is not in a lockout period and an optional prepayment is permitted. An optional prepayment on the last day of any lockout period is NOT permitted.

- Confirm the Borrower's notice of intent to prepay contains the intended payoff date.

- Validate that the Borrower has provided at least the minimum advance notice of its intent to prepay as required by the Loan Documents.

- Submit the payoff quote request for approval through Payoff Calculator. Attach copies of the Borrower's intent to prepay and any other supporting documents.

- Submit the payoff quote to Fannie Mae at least ten (10) Business Days before the scheduled prepayment date.

- **Do not quote a final payoff amount to the Borrower without first obtaining Fannie Mae's confirmation of the accuracy of the final payoff amount and all related figures.**

Payoff Quote Best Practices:

- Cancel any payoff quotes in DRAFT status with Expected Payoff Dates in the past. Do not permit quotes in DRAFT status to extend into the following calendar month.

- Review payoff quotes returned for Servicer Rework to identify trends and update internal processes as needed to reduce rework.

- Review payoff metrics with your team on a regular basis to keep team informed of overall compliance and identify areas for improvement.

- Create an Excel template to automatically calculate declining premium percentages and amounts due for Mortgage Loans with a prepayment type of 'Declining Premium'. Upload to Payoff Calculator as supporting documentation.

- Contact your Fannie Mae Servicing representative prior to submitting the payoff quote if additional guidance is needed.

Select the appropriate Liquidation Reason in Payoff Calculator

You must select the appropriate liquidation reason when creating a payoff quote in Payoff Calculator.

Liquidation Reason	When to Use	Best Practices
Payoff	• If the Borrower is making an optional prepayment of the Mortgage Loan as allowed by the Loan Agreement. • If the Mortgage Loan is in a Structured Facility and the entire Structured Facility is being paid off/released.	• Attach Borrower's notice of intent to prepay the Mortgage Loan. • Attach any additional relevant supporting documentation.
Payoff by Assignment	The Borrower requests that the Lien of Fannie Mae's Security Instrument be assigned to the refinancing lender rather than by a recorded release of the Security Instrument (i.e., a Payoff by Assignment, such as a New York CEMA transaction).	• Attach Custody Document Transmittal (Form 276) to the payoff quote. • A minimum of ten (10) Business Days notice is required to allow Fannie Mae proper time to execute and return Assignment documents.
Conversion of ARM Loan to Fixed	An ARM Loan is converting to a fixed rate Mortgage Loan as allowed under the Loan Documents.	• The MBS backed by the ARM Loan will be paid off and a new MBS issued that will be backed by the converted fixed rate Mortgage Loan.
Refinance with Fannie Mae	The Mortgage Loan is being refinanced with Fannie Mae.	• Enter the Commitment number of the new Mortgage Loan on the payoff quote. • If the Mortgage Loan is refinancing as a Choice Refinance Loan after the Yield Maintenance Period End Date but before the Prepayment Premium Period End Date (i.e., the required Prepayment Premium is 1%) and the Lender has the authority to, and has waived, the 1% Prepayment Premium, enter Refinance Waiver = Yes in the appropriate field in Payoff Calculator.
Refinance NOT with Fannie Mae	The Mortgage Loan is NOT being refinanced with Fannie Mae	• No waivers of the Prepayment Premium are allowed.
Maturity	If the Mortgage Loan is paying off on the scheduled Maturity Date.	• Note: A payoff quote is not required if the final scheduled P&I Payment on the Maturity Date will reduce the Unpaid Principal Balance of the Mortgage Loan to $0.00.
Repurchase	If the MBS backed by the Mortgage Loan is being repurchased out of the Trust.	• Your Fannie Mae Servicing representative will notify you of the repurchase.

Foreclosure	Special Asset Management has requested a quote for a Mortgage Loan in Foreclosure.	• Attach the Acceleration Letter to the quote. • Attach the email from Fannie Mae Special Asset Management confirming the foreclosure sale or payoff date and any specifics about calculation of regular and/or default interest.
Insurance Proceeds	To apply insurance proceeds received on the Mortgage Loan as a result of a casualty event occurring at the Property.	• The Borrower is not required to pay a prepayment premium in connection with any prepayment that occurs as a result of the application of insurance proceeds. • Contact your Fannie Mae Servicing representative before applying insurance proceeds.
Partial Payoff	Only used in rare circumstances to partially paydown the Mortgage Loan or partially payoff a Structured Facility.	• Prior Fannie Mae approval is required.
Other	Use for Condemnation.	• Enter "Condemnation" in the Comments section of the payoff quote. • If the Borrower makes a prepayment due to condemnation, a prepayment premium is typically not due. (Confirm with the Loan Documents.)

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1% PREPAYMENT PREMIUM WAIVER BACKUP IN PAYOFF CALCULATOR

For any prepayment made after the Yield Maintenance Period End Date but before the Prepayment Premium Period End Date (i.e., the required Prepayment Premium is 1%), the Servicer will need to attach the following screenshots when requesting a waiver of the 1% Prepayment Premium. The Servicer has the option of using screenshots from DUS Gateway® or C&D™ to support the waiver of the required 1% Prepayment Premium.

If the Servicer does not attach these screenshots, the analyst will have to attach them, using the Commitment number, Deal Name, or other relevant information from the Servicer to obtain these screenshots.

A.   For Choice Refinance Loans:

1.   **When using DUS Gateway Screenshots as backup:**
   - Obtain the following highlighted information from DUS Gateway. All highlighted fields are required.
     o   Deal ID
     o   Refinance Detail

2.   **When using C&D Screenshots as backup:**
   - Get the following highlighted information from C&D. All highlighted fields are required.
   - Use Commitment Number when entering the commitment number in the payoff calculator.
     o   Deal ID
     o   Commitment Number
     o   Refinance Type
     o   Old Fannie Mae Loan Number

Multifamily C & D

Commitment
Deal Name: Deal ID: 12345   Example

Register | Commitments | Collateral | Participants | Hedges | Loans | Bonds | Financing Options | Chang

MBS Commitment
Commitments

Commitment Information			
Commitment Number	123456	Commitment State	
Commitment Last Updated	06/22/2020 3:27 PM by System User	Commitment Submitted	
Fannie Mae Seller Name & Number		Commitment Confirmed	
Commitment Expiration Date	+	Commitment Period (days)	
Fannie Mae Pre-Review	+	Pending Review?	☐
Additional Disclosure? (Definition)	+ No	Additional Disclosure Comments	
Additional Disclosure Seller Contact Name		Additional Disclosure Seller Contact E-mail	

Pricing Attributes			
Execution Type	MBS	Green Financing Type	+ Not Applicable
Delivery Channel Type (Definition)	+ DUS	Structured Facility Management Deal ID	(Go to Structured Facility Management System)
Tier / Level	+	Tier Drop Eligible?	
Pricing Structure (Information)	+	Lender / Fannie Mae Pricing Waiver?	
Additional Debt?	+ No	Supplemental	Not a Supplemental - this is a 1st Lien
			If Supplemental:
			Supplemental Lien Position 1st
			Supplemental Associated with an Assumption?
			Exercising Tier Dropping Option?
			(Prior lien must be tier drop eligible)
Loan Purpose	+ Refinance		
	If Refinance:		
	Existing Loan Holder : Fannie Mae		
	Fannie Mae Refinance Type : Choice Refinance		
	Lender Refinance Type :		
	Other Refinance Type :		
	If Other :		
	If Conversion:		
	Conversion Type :		
	Old Fannie Mae Loan Number:		
	1234567890 (Go to HCD Core)		

B. For any Refinance other than Choice Refinance Loan:

1. **When using DUS Gateway Screenshots as backup:**

   - Get the following highlighted information from DUS Gateway. All highlighted fields are required.
     - Deal ID
     - Refinance Details

   - Provide the screenshot from DUS Gateway showing that the Multifamily Pricing has approved the Servicer's request to waive the required 1% Prepayment Premium.

Properties [1] | Loan Options [5] | Deal Participants [3] | Deal Broker Correspondents [0] | Additional Lender Contacts for this Deal [1] | Pre-Review and/or Waiver [2] | Deal Documents [10+] | Loan Option Economics [0] | Loan Option(s) Pricing [3] | Pricing [4] | Authorization Conditions [0] | Reason for Resubmissions [3] | Commitments [1] | Deal Team Assignments [2] | Deal Team Assignment History [0] | Open Activities [0] | Activity History [0] | Opportunity Field History [10+]

Deal Detail   Deal Detail Report   Export for Manual Processing   Example

▼ Deal Overview

Account Name	ABC Servicer	Deal ID	12345
Lender Contact		Deal Amount	$1,000,000.00
Lender Contact Email		% Mission Driven	100.0%
Lender Contact Phone		Estimated Loan Closing Date	
Originator		Scheduled MBS Issuance Date	
Deal Name		Deal Status	
Agreement Type	DUS	Workflow Status	
Execution Type	MBS	Application Issued to the Borrower?	No
Loan Purpose	Supplemental	Reactivation Comment	
Submission Type	Pre-Review (4660)	Deal Submitted Date	
Expanded PD		Deal Submitted By	
Green Financing Type		Review Counter	
Chapter 9 Small Loans	No	In Resubmission Process?	No
Interest Rate Conversion Type	N/A	Submitted to C&D?	No
Structured		Planned Fannie Mae Acquisition Year	
Registered Date			
Registered By			
Potential Dual Registration Flag			
Previously Quoted Flag			
Broker or Correspondent?			

▼ Automated Pricing

Automated Pricing Attempts	
Automated Pricing Attempt Limit	
Overall Lender Pricing Decision	
Automated Pricing Reject Reason	
Additional Pricing Feedback	
Borrower's Authorization Received?	

▼ Refinance Details

Existing Loan Holder	Fannie Mae
Fannie Mae Refinance Type	Standard
Existing Servicer	ABC Servicer
Existing Fannie Mae Loan Number	123456789

Category: Pricing/Fees

Sub-Category: Reduction of Standard Prepayment Premium

Description: Allow waiver of the 1.00% prepayment premium on the current in place Fannie Mae 7/4 ARM.

Decision: Modified Acceptance

Conditions/Modified Acceptance Details: **Ok to waive 1% post lockout or end yield maintenance date provided loan is refinancing with Fannie Mae.**

Special Handling for Structured Facility Quotes

Mortgage Loans being repaid that are in a Structured Facility require special handling and additional review by Fannie Mae.

When you receive a request for a paydown/payoff for a Mortgage Loan in a Structured Facility:

- Send an email to the following groups to notify them and request approval for the upcoming Structured Facility paydown/payoff:
  - Structured_AM@fanniemae.com; and
  - Multifamily_spot@fanniemae.com.

- After Structured_AM@fanniemae.com has emailed approval of the Structured Facility paydown/payoff, create the payoff quote in Payoff Calculator.

- Select the 'Yes' indicator on the payoff quote to indicate that this Mortgage Loan is in a Structured Facility:

  Structured Facility Loan? * [Yes ▾]

- Select the appropriate *Liquidation Reason* on the payoff quote.
  - Select *'Payoff'* if the entire Structured Facility Mortgage Loan is being paid off; or
  - Select *'Partial Payoff'* if only a portion of the Structured Facility Mortgage Loan is being paid off.

- Attach relevant supporting documentation to the payoff quote. Each transaction is unique and may require different supporting documentation. Examples of attachments that may need to be included with the payoff quote are:
  - Borrower's letter of intent to paydown or payoff including the intended paydown/payoff date;
  - Mortgage Note or Loan Agreement;
  - Master Credit Facility Agreement;
  - Collateral Release request;
  - Structured_AM@fanniemae.com paydown/payoff approval email;
  - Any other approval emails received from Fannie Mae;
  - Credit Facility Termination Request; and/or
  - Amended Master Credit Facility Agreement (received after Mortgage Loan closing).

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For questions, please contact your Fannie Mae Servicing representative or email MF_Master_Servicing@fanniemae.com.