

FANNIE MAE STREAMLINED RATE LOCK FAQ



Q: What is Fannie Mae's Streamlined Rate Lock (SRL)?

A: Fannie Mae's SRL option helps borrowers manage interest rate risk by locking the interest rate on a loan shortly after application. The rate lock period typically extends 30 to 60 days, but can go up to 180 days.

Q: What types of loans are eligible?

A: Eligible loans include all fixed-rate loans and Hybrid Adjustable Rate Mortgage (ARM) loans for the acquisition or refinance of stabilized conventional multifamily properties. Almost all specialty asset classes and product types are eligible, but some may be subject to pre-review.

Q: What is the maximum term of the rate lock?

A: Up to 180 days.

Q: What rate of the loan is being locked?

A: The entire rate is locked, not just the Treasury index or spread.

Q: Is there a fee associated with Fannie Mae's SRL?

A: Yes, the borrower is required to put down a 2% Good Faith Deposit for a rate lock term of up to and including 90 days. A 3% Good Faith Deposit is required for a rate lock term between 91 and 180 days.

Q: Is there a breakage fee?

A: Breakage fees are limited to the minimum Good Faith Deposit.

Q: What happens if the delivered loan amount differs from the rate lock amount?

A: There is no fee for up to a 5% reduction or increase in the loan amount. For a reduction between 5% and 10%, the penalty is equal to the difference between 95% of the rate locked amount, multiplied by the Good Faith Deposit percentage.

Q: What are some of the benefits of utilizing Fannie Mae's SRL??

A: SRL limits the risk of any interest rate volatility. SRL provides certainty of execution, faster decisions, and the ability to lock your rate potentially well in advance of closing.