



## Selecting Buyup/Buydown Options

Fannie Mae offers four methods of selecting the amount of the buyup or buydown, based on our standard grids, so that you can find the one that best fits your business needs.

Buyup/buydown method	When to select	What to provide shippers
No calculation	You want Loan Delivery to use the guaranty fee information on each loan record.	<ul style="list-style-type: none"> <li>• Copy of MBS pool purchase contract</li> <li>• Pool-specific information:               <ul style="list-style-type: none"> <li>○ Issue date and pass-through rate</li> <li>○ Desired servicing fee rate (at least the required minimum servicing fee rate)</li> <li>○ Selection of Rapid Payment Method, if applicable</li> </ul> </li> </ul>
Automatic fit to servicing fee	<p>You want Loan Delivery to calculate automatically the guaranty fee rate buyups or buydowns necessary to fit the desired servicing fee rate you establish.</p> <p>You want to retain the same servicing fee rate for all loans in a pool.</p>	<ul style="list-style-type: none"> <li>• Copy of MBS pool purchase contract</li> <li>• Pool-specific information:               <ul style="list-style-type: none"> <li>○ Issue date and pass-through rate</li> <li>○ Selection of "automatic fit to servicing fee" option</li> <li>○ Desired servicing fee rate (at least the required minimum servicing fee rate)</li> <li>○ Selection of Rapid Payment Method, if applicable</li> </ul> </li> </ul>
No buyups or buydowns	You do not wish to buy up or buy down the guaranty fee rate for any of the loans in a pool.	<ul style="list-style-type: none"> <li>• Copy of MBS pool purchase contract</li> <li>• Pool-specific information:               <ul style="list-style-type: none"> <li>○ Issue date and pass-through rate</li> <li>○ Selection of "no buyups or buydowns"</li> <li>○ Selection of Rapid Payment Method, if applicable</li> </ul> </li> </ul>
Customized Servicing Fee	Select this option if you want to vary the amount of servicing retained on different note rates in the pool.	<ul style="list-style-type: none"> <li>• Copy of MBS pool purchase contract</li> <li>• Pool-specific information:               <ul style="list-style-type: none"> <li>○ Issue date and pass-through rate</li> <li>○ Desired servicing fee rate (at least the required minimum servicing fee rate)</li> <li>○ Selection of Rapid Payment Method, if applicable</li> <li>○ Mortgage note rates of loans selected for buyups/buydowns</li> <li>○ Guaranty fee rate after buyup/buydown for each mortgage note rate selected for buyups/buydowns</li> </ul> </li> </ul>