



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 505 Replacement Reserve

☒ Requirements

The minimum Replacement Reserve amount must equal the greatest of:

- the amount calculated per [Part II, Chapter 4: Inspections and Reserves, Section 405: Replacement Reserve](#);
- \$300 per unit per year for a Property with no Skilled Nursing units; or
- \$450 per unit per year for a Property with any Skilled Nursing units.



Glossary

P

Property	<p>Multifamily residential real estate securing the Mortgage Loan, including the</p> <ul style="list-style-type: none">• fee simple or Leasehold interest,• Improvements, and• personal property (per the Uniform Commercial Code). <p>Synonyms</p> <ul style="list-style-type: none">• Properties• Property's
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R

Replacement Reserve	<p>Custodial Account the Borrower funds during the Mortgage Loan term for Replacements.</p> <p>Synonyms</p> <ul style="list-style-type: none">• Replacement Reserves
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S

Skilled Nursing	<p>Seniors Housing Property with units that are highly regulated and provide 24-hour resident supervision and registered nursing care services.</p>
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