

# Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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## 104.01B Principal Reserve Fund

#### ✓ Requirements

You must ensure no PRF withdrawal occurs without Fannie Mae's approval.

# **%** Operating Procedures

For each Credit Enhancement Mortgage Loan, you must:

- Review the Bond Trustee's reported PRF balance.
- Collect from the Borrower any amount withdrawn from the PRF, including withdrawals reimbursing Fannie Mae for amounts it paid per the

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- Credit Enhancement Instrument or MBS for Bonds, or
- Loan Documents.



# **Glossary**

## B

**Bond Trustee** 

Trustee for a Credit Enhancement Instrument.

#### **Synonyms**

Bond Trustee's

Borrower

Person who is the obligor per the Note.

#### **Synonyms**

- Borrowers
- · Borrower's



Credit Enhancement Instrument

Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility.

# **Synonyms**

Credit Enhancement Instruments

Credit Enhancement Mortgage Loan Mortgage Loan financed by a Bond issuance where Fannie Mae provides credit enhancement by

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- a Credit Enhancement Instrument, or
- an MBS for Bonds.

## **Synonyms**

Credit Enhancement Mortgage Loans

L



**Loan Documents** 

All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

#### **Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

M

MBS for Bonds

#### Fannie Mae MBS:

- issued to credit enhance tax-exempt Bonds; or
- exchanged for Bonds redeemed at MBS issuance.

#### **Synonyms**

- MBS Exchange
- MTEB
- MTEM

P

**PRF** 

Account you hold accumulating principal amortization payments for variable rate Bond credit enhancements.

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## **Synonyms**

Principal Reserve Fund