

# Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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Effective: 11/04/2025



#### **304.04** Prohibited Uses

#### ✓ Requirements

You must not use any T&I Custodial Account funds to:

- supplement a shortfall in the Borrower's monthly P&I payment to Fannie Mae;
- reimburse yourself for any Servicing Advance unless it is recovered from subsequent collections for that Mortgage Loan; or
- supplement a shortfall in a Borrower's taxes or insurance payment using another Borrower's tax or insurance deposits.

### Guidance

You may use a Borrower's own tax or insurance deposits to cover a shortfall in the Borrower's tax or insurance obligation if you adjust future deposits per Part V, Chapter 3: Custodial Accounts, Section 308.04B: Insufficient Funds.

Effective: 11/04/2025



## **Glossary**

B

Borrower

Person who is the obligor per the Note.

#### **Synonyms**

- Borrowers
- Borrower's

M

Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

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#### **Synonyms**

- Mortgage Loans
- Mortgage Loan's

P

P&I

Principal and interest

S



#### Servicing Advance

All amounts required to be paid by the Borrower, for

- all taxes and assessments against each Property,
- all insurance premiums for insurance for each Property to insurance carrier(s) acceptable to Fannie Mae, in accordance with the Guide, and
- any other payment, as determined by Fannie Mae, necessary to preserve and protect the Property or to exercise any legal or equitable remedies (other than foreclosure) against the Borrower or the Property (including attorney, appraisal, or other professional fees) or any other obligations relating to the Property as set forth in the Loan Documents.

#### **Synonyms**

Servicing Advances

#### T

#### T&I Custodial Account

Custodial Account for the deposit of T&I and other impound escrow funds.

Effective: 11/04/2025

#### **Synonyms**

T&I Custodial Accounts