



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## TABLE OF CONTENTS

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Part V Section 305 Collateral Agreement Custodial Accounts .....	3
305.01 Deposits .....	3
305.02 Full Disbursement .....	3
GLOSSARY .....	4



## Section 305 Collateral Agreement Custodial Accounts

### 305.01 Deposits

#### Requirements

If required by the Loan Documents, you must establish Collateral Agreement Custodial Accounts for the Borrower's deposits for any:

- Completion/Repair Escrow;
- Replacement Reserve;
- operating deficit escrow; and
- other Collateral Agreement escrow.

#### Operating Procedures

You may establish

- 1 account for all Collateral Agreement deposits, or
- a separate Custodial Account for each:
  - Mortgage Loan;
  - Collateral Agreement type;
  - Borrower; or
  - Collateral Agreement.

### 305.02 Full Disbursement

#### Operating Procedures

You must close the Custodial Account per [Part V, Chapter 3: Custodial Accounts, Section 302.01: Notifications](#) after you

- complied with the Collateral Agreement, and
- disbursed all Custodial Account funds.



# Glossary

## B

**Borrower** Person who is the obligor per the Note.

**Synonyms**

- Borrowers
- Borrower's

## C

**Collateral Agreement** Agreement under which collateral (other than the Property) may be pledged, transferred, or otherwise provided to secure the Borrower's obligations under a Mortgage Loan.

**Synonyms**

- Collateral Agreements

**Collateral Agreement Custodial Accounts** Custodial account established by the Servicer for depositing funds received from the Borrower for Collateral Agreements.

**Synonyms**

- Collateral Agreement Custodial Account

**Completion/Repair Escrow** Custodial Account established by the Lender and initially funded by an escrow deposit from the Borrower on the Mortgage Loan Origination Date to complete Completion/Repairs or other capital improvements at the Property.

**Custodial Account** Accounts established by the Servicer for depositing P&I payments, T&I funds, Collateral Agreement deposits, and other similar funds.

**Synonyms**

- Custodial Accounts



## L

### Loan Documents

All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

#### **Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

## 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.

#### **Synonyms**

- Mortgage Loans
- Mortgage Loan's

## R

### Replacement Reserve

Custodial Account established by the Lender and funded by deposits from the Borrower over the term of the Mortgage Loan to fund the replacement of capital items at the Property.

#### **Synonyms**

- Replacement Reserves