



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 308.04 Borrower's T&I Impositions and Custodial Accounts .....	3
308.04A Analysis Timing .....	3
308.04B Insufficient Funds .....	3
308.04C Surplus .....	3
GLOSSARY .....	5



## 308.04 Borrower's T&I Impositions and Custodial Accounts

### 308.04A Analysis Timing

#### Operating Procedures

You must:

- Analyze your T&I Custodial Account records:
  - annually for each Mortgage Loan; and
  - when a material change occurs in a Borrower's T&I Impositions.
- Determine if the Borrower's T&I Custodial Account funds, plus the Borrower's required monthly deposits, are sufficient to timely pay all upcoming T&I Impositions.

### 308.04B Insufficient Funds

#### Operating Procedures

If the Borrower's T&I Custodial Account funds are insufficient to timely pay all T&I Impositions, you must

- bill the Borrower for any shortage, and/or
- increase the Borrower's monthly T&I Custodial Account deposit.

After adjusting the Borrower's future deposits, you may use those funds for a shortfall in either taxes or insurance.

### 308.04C Surplus

#### Requirements

You must not maintain a surplus of more than 2 monthly T&I payments in the T&I Custodial Account.

#### Operating Procedures

If the T&I Custodial Account has a surplus of more than 2 monthly T&I payments, you must:

- refund the Borrower the amount of the surplus above the 2 monthly T&I payments; or



- reduce the Borrower's required monthly T&I Custodial Account deposit to reduce the surplus to no more than 2 monthly T&I payments within 12 months.

You cannot refund any T&I Custodial Account surplus if the Borrower or any other party has defaulted under any of the Loan Documents beyond any grace or cure period.



# Glossary

## B

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

**Synonyms**

- Borrowers
- Borrower's

## 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

**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

## T

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

**Synonyms**

- T&I Custodial Accounts



## T&I Impositions

Amounts for taxes, insurance, and other charges assessed against or owing on the Property which you deem necessary to protect the Property and/or prevent Liens imposed on it.

### **Synonyms**

- T&I Imposition