Fannie Mae®

Multifamily Selling and Servicing Guide

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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

C

Custodial Account	Account established by the Servicer for depositing P&I payments, T&I payments, and escrow, reserve, or other funds received from the Borrower per any Loan Document, including the: • Collateral Agreement; • Multifamily Loan Agreement; or • Security Instrument. **Synonyms** • Custodial Accounts

G

Guide	Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise. **Synonyms** • DUS Guide

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
Taxes and Insurance	Taxes or assessments that may become a Lien on the Property and insurance premiums. **Synonyms** • T&I • Tax and Insurance

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