



Fannie Mae®

Multifamily Selling and Servicing Guide

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Section 105 Replacement Reserve

105.01 Determining Replacement Reserve

☒ Requirements

The minimum Replacement Reserve amount must equal the greater of

- the amount calculated per Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 406: Replacement Reserve, or
- \$250 per unit per year.

105.02 Replacement Reserve Funding

☒ Requirements

You must ensure full funding of the Replacement Reserve.



Glossary

L

Lease	Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent.
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Synonyms

- Leases

R

Replacement Reserve	Custodial Account the Borrower funds during the Mortgage Loan term for Replacements.
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Synonyms

- Replacement Reserves