



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of April 3, 2026

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part III Section 505 Replacement Reserve	3
GLOSSARY	4



Section 505 Replacement Reserve

Requirements

The minimum Replacement Reserve amount must equal the greatest of:

- the amount calculated per [Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 406: Replacement Reserve](#);
- \$300 per unit per year for a Property with no Skilled Nursing units; or
- \$450 per unit per year for a Property with any Skilled Nursing units.



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.

Synonyms

- Leases

P

Property Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's

R

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

Synonyms

- Replacement Reserves

S

Skilled Nursing Seniors Housing Property with units that are highly regulated and provide 24-hour resident supervision and registered nursing care services.