



Multifamily Selling and Servicing Guide

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Section 505 Replacement Reserve

Requirements

The minimum Replacement Reserve amount must equal the greatest of:

- the amount calculated per [Part II, Chapter 4: Inspections and Reserves, Section 404: 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

P

Property Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms

- Properties
- Property'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

S

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