

Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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Effective: 11/04/2025



303.02 Rehabilitation Reserve Agreement

✓ Requirements

You must ensure that the Borrower:

- Executes a Modifications to Multifamily Loan and Security Agreement (Rehabilitation Reserve – Moderate Rehabilitation) (Form 6222) that identifies the planned scope of the Rehabilitation Work on the Rehabilitation Work Schedule, including
 - all of the Rehabilitation Work items,
 - estimated costs,
 - allowance for cost overruns, and
 - completion dates.
- Completes a budget for the planned Rehabilitation Work.
- Funds a Rehabilitation Reserve Account with the:
 - entire budgeted amount (or a higher amount that you require) for all Rehabilitation Work that is not identified as Completion/Repairs by the PCA; and
 - estimated cost (or a higher amount that you require per Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 405: Completion/Repairs) for Completion/Repairs.

Effective: 11/04/2025



Glossary

B

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- · Borrower's

C

Completion/Repairs

Repairs or capital item replacements and deferred maintenance:

- identified per the Property Condition Assessment; and
- required per the
 - Completion/Repair Schedule, or
 - Completion/Repair Agreement.

Synonyms

• Completion/Repair

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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

R

Rehabilitation Reserve Account

Custodial Account established by the Lender and funded by deposits from the Borrower per the Rehabilitation Reserve Agreement to fund the Rehabilitation Work.

Effective: 11/04/2025



Rehabilitation Work

Aggregate repairs, replacements, or improvements (including all Completion/Repairs) required to be performed and completed within a specified time period after the Mortgage Loan Origination Date for a Moderate Rehabilitation Property.

Effective: 11/04/2025

S

Security MBS, PFP MBS, or REMIC.

SynonymsSecurities