



# Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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## 703.02D Restabilization Reserve

### Requirements

You must establish a Restabilization Reserve for an MAH Property that has a HAP contract if the HAP contract term (disregarding any annual or other incremental government appropriation conditions) expires before the Mortgage Loan Maturity Date.

The Restabilization Reserve must:

- equal the monthly P&I on the Mortgage Loan, multiplied by the greater of
  - 6 months, or
  - the lease-up period determined by the market study per [Part III, Chapter 7: Multifamily Affordable Housing Properties, Section 703.02C: Market Study](#); and
- remain in place until
  - the Property achieves underwritten occupancy for 90 days at market rate rents, or
  - the HAP contract is renewed and expires after the Mortgage Loan Maturity Date.



# Glossary

## M

**Maturity Date** Date all amounts due and owing under the Mortgage Loan become fully due and payable per the Loan Documents.

**Synonyms**

- Maturity Dates

**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

## P

**P&I** Principal and interest

**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