



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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304.03 Prohibited Use of T&I Custodial Account Funds

Funds in any T&I Custodial Account must not be used to:

- supplement the Borrower's monthly payment obligation to Fannie Mae;
- reimburse the Servicer for any Servicing Advances unless the Servicing Advance is recovered from subsequent collections from or on behalf of the Borrower for the Mortgage Loan for which the Servicing Advance was made; or
- supplement a shortfall in any Borrower's tax or insurance obligation by using another Borrower's tax or insurance deposits. Use of a Borrower's tax or insurance deposits for a shortfall in either a tax or insurance obligation of that Borrower is permitted so long as the Servicer adjusts future deposits as required by the Guide.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

G

Guide Multifamily Selling and Servicing Guide and Delegated Underwriting and Servicing Guide, including any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented by any lender memo; provided, however, if a topic is covered in the Multifamily Selling and Servicing Guide, that Guide shall control unless a Lender Contract specifically requires use of another Guide.

Synonyms

- DUS Guide

M

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

S

Servicer Primary Person responsible for servicing the Mortgage Loan (e.g., the originator, the selling Lender, or a third-party servicer).

Synonyms

- Servicers



Servicing Advance

All amounts required to be paid by the Borrower, for

- all taxes and assessments against each Property,
- all insurance premiums for insurance for each Property to insurance carrier(s) acceptable to Fannie Mae, in accordance with the Guide, and
- any other payment, as determined by Fannie Mae, necessary to preserve and protect the Property or to exercise any legal or equitable remedies (other than foreclosure) against the Borrower or the Property (including attorney, appraisal, or other professional fees) or any other obligations relating to the Property as set forth in the Loan Documents.

Synonyms

- Servicing Advances

T

T&I Custodial Account

Custodial Account for the deposit of T&I and other impound escrow funds.

Synonyms

- T&I Custodial Accounts