



# Multifamily Selling and Servicing Guide

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### **305.01 Purpose of Collateral Agreement Custodial Accounts**

If required by the Loan Documents, the Servicer must establish Collateral Agreement Custodial Accounts for deposits to be made by the Borrower:

- into a Completion/Repair Escrow;
- into a Replacement Reserve;
- into an escrow required to fund operating deficits; and
- into any other escrow required by any Collateral Agreement.



## Glossary

### B

**Borrower** Person who is the obligor under the Note.

**Synonyms**

- Borrowers
- Borrower's

### C

**Collateral Agreement** Agreement under which collateral (other than the Property) may be pledged, transferred, or otherwise provided to secure the Borrower's obligations under a Mortgage Loan.

**Synonyms**

- Collateral Agreements

**Collateral Agreement Custodial Accounts** Custodial account established by the Servicer for depositing funds received from the Borrower for Collateral Agreements.

**Completion/Repair Escrow** Custodial Account established by the Lender and initially funded by an escrow deposit from the Borrower on the Mortgage Loan Origination Date to complete Completion/Repairs or other capital improvements at the Property.

### L

**Loan Documents** All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

**Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents



## 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

### Servicer

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

#### **Synonyms**

- Servicers