

# Multifamily Selling and Servicing Guide

Effective as of November 4, 2025

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#### **408.040** Alternative Funding of Replacement Reserves for Portfolio Mortgage Loans

The Servicer may amend existing the Schedule 5 to Multifamily Loan Agreement - Replacement Reserve Schedule or Replacement Reserve Agreement on Fannie Mae's behalf to match the alternative Replacement Reserve funding available for newly originated Mortgage Loans if the Borrower has a history of adequate property maintenance, and no other concerns are present (e.g., declining Property condition, declining rents, declining Net Cash Flow). The Servicer must send the executed Loan Document amendment revising the Replacement Reserve Schedule or Replacement Reserve Agreement to Multifamily Certification and Custody within 15 Business Days, and retain a copy in its Servicing File.

The Servicer must ensure the Property is properly maintained on an ongoing basis. If the Property is not being properly maintained, the Servicer must reinstate monthly deposits to the Replacement Reserve and the reimbursement requisition process.

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## **Glossary**

#### B

Borrower

Person who is the obligor per the Note.

#### **Synonyms**

- Borrowers
- · Borrower's

#### M

Multifamily Certification and Custody

Team responsible for taking custody of and certifying Mortgage Loans that can be contacted at

- multifamcert\_team@fanniemae.com,
- (800) 940-4646, or
- for submissions:

Fannie Mae (Multifamily) Certification and Custody 21240 Ridgetop Circle Suite 125-130

Sterling, VA 20166.

#### **Synonyms**

- DDF
- Document Delivery Facility
- Document Delivery System

# Multifamily Loan Agreement

Agreement evidencing Mortgage Loan terms using

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- Form 6001 series Loan Documents, or
- another Fannie Mae-approved form.

#### **Synonyms**

Multifamily Loan Agreements

### N



#### **Net Cash Flow**

On an annual basis or any specified period, the total Net Operating Income, minus the full amount underwritten for Replacement Reserve expense, regardless of whether deposits will be made (per Part II, Chapter 2: Valuation and Income, Section 203: Income Analysis and the applicable products and features in Part III).

#### **Synonyms**

NCF

#### P

#### **Property**

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- · Improvements, and
- personal property (per the Uniform Commercial Code).

#### **Synonyms**

- Properties
- Property's

#### R

#### Replacement Reserve

Custodial Account the Borrower funds during the Mortgage Loan term for Replacements.

#### **Synonyms**

Replacement Reserves

# Replacement Reserve Agreement

The 4000 series Replacement Reserve and Security Agreement (Form 4606), or other agreement approved by Fannie Mae, that evidences the:

• Borrower's agreement to replace identified capital items and perform required maintenance;

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- terms for funding the identified capital item replacement and maintenance; and
- disbursement of Replacement Reserve funds.

#### **Synonyms**

Replacement Reserve Agreements



## Replacement Reserve Schedule

The Required Replacement Schedule to the Multifamily Loan Agreement (Form 6001 series) and the applicable parts of the Multifamily Loan Agreement (or other agreement approved by Fannie Mae), that evidence the:

- Borrower's agreement to replace identified capital items and perform required maintenance;
- terms for funding the identified capital item replacement and maintenance; and
- disbursement of Replacement Reserve funds.

#### **Synonyms**

• Replacement Reserve Schedules

#### S

#### Servicer

Primary Person servicing the Mortgage Loan, including

- the originator,
- seller, or
- a third party.

#### **Synonyms**

- Servicers
- Servicer's

#### Servicing File

Your file for each Mortgage Loan serviced.

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#### **Synonyms**

Servicing Files