

# Multifamily Selling and Servicing Guide

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# **409.03** Interest Rate Hedge Term

### The Servicer must:

- monitor the term of each Interest Rate Hedge Agreement;
- hold all escrowed funds for an Interest Rate Hedge in an account meeting the Custodial Account requirements of Part V, Chapter 3: Custodial Accounts;
- engage the Borrower prior to expiration of each Interest Rate Hedge to ensure that an acceptable replacement Interest Rate Hedge is in place prior to its expiration; and
- perform any required functions with respect to the Interest Rate Hedge Agreement.

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# **Glossary**

# B

Borrower

Person who is the obligor per the Note.

### **Synonyms**

- Borrowers
- Borrower's

C

**Custodial Account** 

Accounts established by the Servicer for depositing P&I payments, T&I funds, Collateral Agreement deposits, and other similar funds.

### **Synonyms**

Custodial Accounts

S

Servicer

Primary Person servicing the Mortgage Loan, including

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

## **Synonyms**

- Servicers
- Servicer's