



# Multifamily Selling and Servicing Guide

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**107.01E** Principal Reserve Fund

For each Credit Enhancement Mortgage Loan, the Servicer must monitor the PRF amount and the Interest Reserve Requirement, if any, under the Bond Indenture.

Notwithstanding any provision in the Reimbursement Agreement, Loan Agreement, or any other Loan Document, no withdrawal from a PRF may be made without the prior written consent of Fannie Mae.

If any withdrawal is made from the PRF, including any reimbursement to Fannie Mae for amounts paid by Fannie Mae under the Credit Enhancement Instrument or Credit Enhancement Mortgage Loan Documents, the Servicer must collect the amount of such withdrawal from the Borrower.



# Glossary

## B

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

**Synonyms**

- Borrowers
- Borrower's

## C

**Credit Enhancement Instrument** Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility.

**Synonyms**

- Credit Enhancement Instruments

**Credit Enhancement Mortgage Loan** Mortgage Loan underwritten and serviced by the Lender and financed by the issuance of Bonds where Fannie Mae is providing a Credit Enhancement Instrument.

**Synonyms**

- Credit Enhancement Mortgage Loans

## I

**Interest Reserve Requirement** For Bond Credit Enhancements, see Part XIV of the DUS Guide.

## P

**PRF** Principal Reserve Fund for Bond Credit Enhancements, see Part XIV of the DUS Guide.

**Synonyms**

- Principal Reserve Fund



## **R**

Reimbursement Agreement

For Bond Credit Enhancements, see Part XIV of the DUS Guide.

## **S**

Servicer

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

### **Synonyms**

- Servicers