



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of May 27, 2026

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## Section 305 Collateral Agreement Custodial Accounts

### 305.01 Deposits

#### Requirements

If required by the Loan Documents, you must establish Collateral Agreement Custodial Accounts for the Borrower's deposits for any:

- Completion/Repair Escrow;
- Replacement Reserve;
- operating deficit escrow; and
- other Collateral Agreement escrow.

#### Operating Procedures

You may establish

- 1 account for all Collateral Agreement deposits, or
- a separate Custodial Account for each:
  - Mortgage Loan;
  - Collateral Agreement type;
  - Borrower; or
  - Collateral Agreement.

### 305.02 Full Disbursement

#### Operating Procedures

You must close the Custodial Account per [Part V, Chapter 3: Custodial Accounts, Section 302.01: Generally](#) after you

- complied with the Collateral Agreement, and
- disbursed all Custodial Account funds.



## Glossary

### B

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

**Synonyms**

- Borrowers
- Borrower's

### C

**Collateral Agreement** Agreement granting a security interest in Mortgage Loan collateral not covered by the Security Instrument.

**Synonyms**

- Collateral Agreements

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

**Synonyms**

- Collateral Agreement Custodial Account

**Completion/Repair Escrow** Custodial Account funded on the Mortgage Loan Origination Date for Completion/Repairs or capital improvements per the Loan Documents.

**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

### L



## Loan Documents

All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

### **Synonyms**

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

## **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
- Mortgage Loan's

## **R**

## Replacement Reserve

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

### **Synonyms**

- Replacement Reserves