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# Multifamily Selling and Servicing Guide

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## Section 105 Replacement Reserve

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### 105.01 Determining Replacement Reserve

#### ☒ Requirements

The minimum Replacement Reserve amount must equal the greater of

- the amount calculated per Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 406: Replacement Reserve, or
- \$250 per unit per year.

### 105.02 Replacement Reserve Funding

#### ☒ Requirements

You must ensure full funding of the Replacement Reserve.



# Glossary

## L

**Lease** Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent.

### **Synonyms**

- Leases

## R

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

### **Synonyms**

- Replacement Reserves