



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of September 8, 2025

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Section 607 Replacement Reserve

☒ Requirements

If the Replacement Reserve determined by the Property Condition Assessment is more than \$75 per MH Site, full funding of the Replacement Reserve is required per [Part II, Chapter 4: Lease Audits, Inspections, and Reserves, Section 406: 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

P

Property Condition Assessment

Assessment of the Property's physical condition and historical operation.

Synonyms

- PCA
- PNA
- Physical Needs Assessment
- PCAs

R

Replacement Reserve

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

Synonyms

- Replacement Reserves