

.05 MULTI-FAMILY RESERVES FOR REPLACEMENTS AND OTHER ESCROWS

Upon the direction of AHFC, and in accordance with the applicable documents, the Servicer will hold and administer all funds or bonds that constitute the reserve for replacement, completion, working capital, operational deficiency or other required escrows. This section does not pertain to the borrower's Tax and Insurance escrow account.

In any six-month period, the Servicer is authorized to disburse expenses (as identified in the origination documents) from the reserve for replacement account, up to the lesser of \$10,000 or 10% of the current replacement reserve balance. Requests exceeding the above guidelines must be submitted to AHFC's Servicing Department on the Recommendation for Disbursement of Replacement Reserves form ([Form SER-99](#)), along with documentation to support the recommendation.

Servicers with delegated multi-family replacement reserve disbursement authority must submit the Notification of Replacement Reserves form ([Form SER-99 Delegated](#)) to AHFC's Servicing Department immediately following each replacement disbursement completed.

The Servicer does not need AHFC approval to release the Escrow for Completion account. These funds should be released as specified in [Section 4000.01.C](#) of the AHFC Multi-Family Selling Guide. The Servicer is to notify the AHFC Servicing Department when the funds have been fully disbursed.

The Servicer is to submit to the AHFC Servicing Department the Recommendation for Disbursement of Rent-Up or Operating Reserves ([Form SER-101](#)) with a recommendation and supporting documentation to draw funds from the Rent-Up or Operating Reserve Accounts. Written authorization from the loan guarantor or mortgage insurer must be included, if applicable.