

ELIGIBLE RESERVE FOR REPLACEMENT ITEMS

The below list includes items for which a complete replacement will, generally, be considered eligible under standard multifamily properties.

Appliances

Ranges
Refrigerators
Dishwashers
Microwave Ovens
Clothes Washers and Dryers
Garbage Disposals
Exhaust Fans
Air Conditioners

Exterior

Doors
Windows with integral screens
Roofs, complete replacement
Gutter/downspout, complete replacement
Paint, complete exterior
Storm Windows and Storm Doors
Screens
Siding, complete or extensive replacement
Electrical Fixtures
Signs

Plumbing/Systems

Toilets
Bathtubs/Sinks and fixtures
Kitchen sinks and fixtures
Laundry tubs and fixtures
Water Heaters
Furnaces and Boilers

Interior

Carpet (entire room/hallway)
Flooring – tile, linoleum or wood
Drapes, shades, and/or blinds
Smoke and/or Carbon Monoxide Detectors (entire building)
Cabinet replacement
Common area painting
Furnishings

Miscellaneous

Elevator, complete or extensive repairs
Seal coating asphalt
Resurfacing asphalt
Concrete work, complete or extensive repairs
Swimming pool, complete or extensive repairs
Sprinkler system & irrigation, complete replacement
Office Computers
Health/Safety items
Major Rehabilitation of Grounds
Fuel Oil Storage Tanks
Garbage Compactors and Dumpsters

Heating Systems

Central Heating Boilers
Furnaces
Major Valves & Pumps for Central Heating Systems
Heat Pump Systems, Including Compressor Replacement
Oil and Gas Burners for Central Systems

The listing above is provided as a guideline. Eligible items are not limited to those listed. Another determination of Reserve for Replacement eligibility depends on whether the repair or replacement is considered to be routine maintenance. This is quite often a judgment call from Multifamily Asset Management. In general, the replacement of small individual items will be considered a repair. If a large number of these individual items are replaced over a short period of time, it may be considered a “program” for replacement; and therefore, eligible. For example a replacement of three kitchen faucets to be repairs. If all kitchen faucets are replaced throughout the property, we would consider this a program; and therefore, eligible. The unit size and/or financial status of a property would influence the determination of eligible items. Please refer to the Regulatory Agreement or loan documents on specific project requirements under Reserve for Replacements.

Items covered by insurance or guarantees are not eligible for reimbursement from the Reserve for Replacement.

Questions on Reserve for Replacement items or related matters can be directed to the assigned property Portfolio Manager with Multifamily Asset Management.