**Section 310.405 Reserve Fund for Replacements**

The Owner of a Development shall set aside out of gross Development income and shall deposit with the Authority such sums as the Authority shall specify, or that applicable federal statutes, regulations, or agreements require to be deposited to the Reserve Fund for Replacements. No proceeds of the Reserve Fund for Replacements may be withdrawn, disbursed, or applied without written Authority approval. The sums set aside, together with any income earned, shall be used to pay the costs of replacing structural elements and mechanical equipment of the Development and for such other Development expenses as the Authority in its sole discretion may approve. In determining the amounts to be set aside or deposited to the Reserve Fund for Replacements, the Authority shall consider the nature and condition of any structural elements or mechanical equipment that may have to be replaced, the estimated useful life of any such structural elements or mechanical equipment, the estimated cost of replacements, applicable federal requirements, construction costs, potential gross Development income, and any other relevant factors. In determining whether to approve disbursements from the Reserve Fund for Replacements, the Authority shall consider the benefit to the Development of the proposed disbursement, the amount to be disbursed, the amount on deposit in the Reserve Fund for Replacements, whether the Owner is delinquent in making deposits to the Reserve Fund for Replacements or is otherwise delinquent in making payments or deposits under the Mortgage Loan documents, other uses for which the Reserve Fund for Replacements is likely to be needed, and any other relevant factors.

(Source: Amended at 31 Ill. Reg. 4392, effective February 28, 2007)