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SBL Update



FreddieMac
MULTIFAMILY

Freddie Mac Staff:

The email below will be sent externally to Multifamily customers and others who are subscribed to our news emails. You are receiving this email for information purposes only, and you may [update your email preferences](#) at any time.

Hurricane Milton Guidance

Our thoughts are with those impacted by Hurricane Milton. While we try to navigate through the next several days, we've put together the following guidance for all Small Balance Loans (SBL) in process located in the hurricane's path.

For SBL loans under application:

- If the engineer's physical inspection of the property is taking place after the impact from Hurricane Milton, nothing further required.
- If the engineer's inspection has already taken place, please follow the instructions below:
 - Receipt of the [Borrower Certification of Weather-Related Event](#) is required as part of the Final Underwriting Package and should

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specifically address any impact to the property sustained from Hurricane Milton.

- Additional information or inspections may be required from underwriting.

For all loans in Underwriting:

- Receipt of the [Borrower Certification of Weather-Related Event](#) is required and should specifically address any impact to the property sustained from Hurricane Milton.
- Confirmation that the property has sufficient property damage and rent loss coverage.
- If an acquisition, confirmation that there has been no change to the Purchase and Sale Agreement, or if there has been a change, receipt of the revised Purchase and Sale Agreement with an explanation of the change.
- We may ask for an update on the property condition prior to final approval/commitment.
- Please elevate any significant issues to our management team for guidance on how to proceed.

For any loans that Freddie Mac has committed to purchase (via a fully executed Letter of Commitment) but has not yet purchased:

- Please report any impacted properties to the [Surveillance – Compliance Team](#), including any damage updates for such properties when available. Coordinate with the Multifamily Purchase team; loan funding may be delayed pending a damage assessment.

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Please be assured that we will work closely with you and your borrowers to create flexible and tangible solutions. If you have any further questions regarding your impacted properties and our guidance above, please reach out to [Jessica Gonzalez](#) or [Rick Farmer](#).

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