

Multifamily Seller/Service Guide

Chapter 43

Specific Servicing Responsibilities



- 43.1 [Specific Servicing responsibilities; delivery of documents \(04/18/24\)](#)
- 43.2 [IRS Form 1098, Mortgage Interest Statement \(09/28/12\)](#)
 - a. [Completing IRS Form 1098 \(05/06/05\)](#)
 - b. [Retention of IRS Form 1098 \(05/06/05\)](#)
 - c. [Penalties \(09/28/12\)](#)
- 43.3 [IRS Form 1099-A and 1099-C requirements \(10/21/21\)](#)
 - a. [General instructions for filing IRS Forms 1099-A and 1099-C with IRS \(10/21/21\)](#)
 - b. [Instructions for filing IRS Form 1099-A, Acquisition or Abandonment of Secured Property \(06/29/17\)](#)
 - c. [Instructions for filing IRS Form 1099-C, Cancellation of Debt \(06/29/17\)](#)
 - d. [Instructions for filing Freddie Mac Form 1065M, Report of IRS Form 1099-A and Form 1099-C Filings \(04/15/21\)](#)
- 43.4 [IRS Form 1099-MISC, Miscellaneous Income, and IRS Form 1099-NEC, Nonemployee Compensation \(08/18/22\)](#)
- 43.5 [Continuation of Uniform Commercial Code \(UCC\) financing statements; termination \(06/27/19\)](#)
 - a. [UCC continuation statements \(12/14/18\)](#)
 - b. [Termination statements \(05/06/05\)](#)
 - c. [Freddie Mac signature \(05/31/12\)](#)
 - d. [Copies to Freddie Mac \(04/18/24\)](#)
 - e. [Limited power of attorney \(06/27/19\)](#)
- 43.6 [Unauthorized transfers \(04/18/24\)](#)
- 43.7 [Late charges; default interest \(04/18/24\)](#)
 - a. [Mortgages originated on or after July 8, 1992 \(06/30/16\)](#)
 - b. [Mortgages originated prior to July 8, 1992 \(08/30/13\)](#)
 - c. [Collection of late charges and default interest \(04/30/13\)](#)
 - d. [Waiver of the collection of a late charge \(04/18/24\)](#)
 - e. [Request for waiver \(04/18/24\)](#)
- 43.8 [Casualty losses and natural disaster losses \(09/14/23\)](#)
 - a. [Form 1140, Hazard Loss Notification \(09/14/23\)](#)
 - b. [Reserved \(03/30/12\)](#)
 - c. [Use of insurance proceeds \(06/30/16\)](#)
 - d. [Servicer responsibilities following a casualty loss \(09/14/23\)](#)
 - e. [Freddie Mac Annual Inspection Form \(AIF\) \(06/28/13\)](#)
 - f. [Notice of completion of restoration of the Property \(09/14/23\)](#)
 - g. [Servicer responsibility following a natural disaster loss \(09/14/23\)](#)
- 43.9 [Reserved \(06/30/16\)](#)



- 43.10 [Easements \(04/18/24\)](#)
 - a. [Easements the Servicer is permitted to approve \(04/18/24\)](#)
 - b. [Documentation for an easement not requiring Freddie Mac approval \(04/18/24\)](#)
 - c. [Recordation of an easement not requiring Freddie Mac approval \(09/22/17\)](#)
 - d. [File retention requirements for an easement not requiring Freddie Mac approval \(09/22/17\)](#)
 - e. [Procedure for an easement requiring Freddie Mac approval \(04/18/24\)](#)
 - f. [Recordation of an easement requiring Freddie Mac approval \(09/22/17\)](#)
 - g. [Required documentation for an easement requiring Freddie Mac approval \(04/18/24\)](#)
- 43.11 [Request for partial release of Property \(04/18/24\)](#)
 - a. [Partial releases the Servicer is permitted to approve \(06/30/16\)](#)
 - b. [Documentation required following Servicer's delegated approval of a partial release \(09/18/14\)](#)
 - c. [Information required with a request for Freddie Mac approval of a partial release \(04/30/19\)](#)
 - d. [Freddie Mac approval \(04/30/19\)](#)
 - e. [Recordation \(05/07/07\)](#)
 - f. [Documents required after partial release \(04/18/24\)](#)
- 43.12 [Condemnation/ eminent domain \(06/30/16\)](#)
 - a. [Requirements applicable to both non-SBL and SBL Mortgages \(06/30/16\)](#)
 - b. [Additional requirements applicable to SBL Mortgages \(06/30/16\)](#)
- 43.13 [Maturing Mortgages \(04/18/24\)](#)
 - a. [Refinance candidates \(06/27/19\)](#)
 - b. [Monitoring of payoff plans \(04/18/24\)](#)
 - c. [Transfer of Servicing of a matured Mortgage \(10/07/08\)](#)
- 43.14 [Modification; release; waivers \(06/17/21\)](#)
 - a. [Limits on Servicer \(04/30/13\)](#)
 - b. [Collateral release \(06/17/21\)](#)
 - c. [Waivers \(06/17/21\)](#)
- 43.15 [Rate Reset Mortgages \(04/30/19\)](#)
 - a. [Submission of information to Freddie Mac \(04/30/19\)](#)
 - b. [Conditions for approval of extension/reset request \(05/06/05\)](#)
 - c. [Notification and determination of eligibility for Rate Reset and extension \(05/06/05\)](#)
 - d. [Execution of extension documentation \(05/06/05\)](#)
 - e. [Delivery of extension documentation to Freddie Mac \(05/31/12\)](#)
 - f. [Reimbursement of Servicer's costs \(05/06/05\)](#)
 - g. [Borrower's failure to complete extension process \(05/06/05\)](#)
- 43.16 [Risk detection and notification; Risk Ratings and monitoring responsibilities \(06/29/17\)](#)
 - a. [Loan compliance and risk detection responsibilities \(05/01/14\)](#)
 - b. [Risk outlook, notification and recommendation \(09/28/12\)](#)
 - c. [Risk Ratings and monitoring \(05/31/12\)](#)
 - d. [Quarterly reporting based on Risk Rating \(06/29/17\)](#)



- 43.17 [Mortgages paid in full \(12/14/18\)](#)
- a. [Mortgage paid in full at maturity \(04/30/15\)](#)
 - b. [Mortgage paid in full prior to the maturity date \(05/06/05\)](#)
 - c. [Requests for Freddie Mac execution of documents \(12/07/07\)](#)
 - d. [Documentation delivered after payment-in-full \(12/14/18\)](#)
- 43.18 [Noncompliance fees \(06/12/23\)](#)
- 43.19 [Property management \(10/17/24\)](#)
- a. [General property management requirements \(10/17/24\)](#)
 - b. [When full Freddie Mac review of a property management change \(including delegation to a sub-manager\) is not required \(10/17/24\)](#)
 - c. [When Freddie Mac review of a property management change \(including delegation to a sub-manager\) is required; review process \(10/17/24\)](#)
 - d. [Freddie Mac's review of the property management change request \(including delegation to a sub-manager\) \(10/17/24\)](#)
 - e. [Documentation required following approved property management change \(including delegation to a sub-manager\) \(10/17/24\)](#)
- 43.20 [Advance written notice to the Borrower for ARM payments \(06/30/16\)](#)
- 43.21 [Third-party cap agreement \(07/01/14\)](#)
- a. [Payments by cap provider \(07/01/14\)](#)
 - b. [Collection of cap agreement payments for conventional Mortgages \(02/07/08\)](#)
- 43.22 [Subsequent cap agreements for cash Mortgages \(02/28/18\)](#)
- a. [Deposits to cap fee Reserves \(02/28/18\)](#)
 - b. [Interest on cap deposits \(09/25/15\)](#)
 - c. [Excess cap deposits \(09/25/15\)](#)
 - d. [Terms of subsequent cap agreements \(07/01/14\)](#)
 - e. [Cap deposits Reserve Custodial Account \(09/25/15\)](#)
 - f. [Cap agreement and cap provider requirements \(02/07/08\)](#)
- 43.23 [Property Improvement Alterations for non-SBL Mortgages \(06/16/22\)](#)
- a. [Notifying Freddie Mac of Property Improvement Alterations \(02/27/15\)](#)
 - b. [Monitoring ongoing Property Improvement Alterations \(04/30/19\)](#)
 - c. [Completion of Property Improvement Alterations \(06/16/22\)](#)
- 43.24 [Commercial/non-residential leases \(04/18/24\)](#)
- a. [When Freddie Mac approval is required \(04/18/24\)](#)
 - b. [Servicer's request for Freddie Mac approval \(05/05/17\)](#)
 - c. [Freddie Mac's review of lease approval request \(05/05/17\)](#)
 - d. [Required documentation following Freddie Mac approval \(05/05/17\)](#)
 - e. [Nonresidential Leases the Servicer is permitted to approve for an SBL Mortgage \(06/15/23\)](#)
- 43.25 [Product-specific general Servicing requirements \(09/18/14\)](#)



- 43.26 [Radon and what to report to Freddie Mac \(09/14/23\)](#)
- 43.27 [Delivery of written notice of incomplete application or confirmation of withdrawn application \(11/30/12\)](#)
- 43.28 [Office of Foreign Assets Control \(OFAC\) screening \(02/18/21\)](#)
- 43.29 [Subordinate Financing for non-SBL Mortgages \(04/18/24\)](#)
 - a. [Conditions for Freddie Mac approval of Subordinate Financing for a non-SBL Mortgage \(06/30/16\)](#)
 - b. [Information required with a request for Freddie Mac approval of Subordinate Financing \(04/13/23\)](#)
 - c. [Freddie Mac approval \(04/30/19\)](#)
 - d. [Documents required after settlement of Subordinate Financing \(04/18/24\)](#)
 - e. [Warranties \(09/28/18\)](#)
 - f. [Unauthorized Subordinate Financing \(08/30/13\)](#)
- 43.30 [Subordinate Financing for SBL Mortgages \(04/18/24\)](#)
 - a. [Conditions for Freddie Mac approval of Subordinate Financing for an SBL Mortgage \(06/30/16\)](#)
 - b. [Information required with a request for Subordinate Financing \(06/30/16\)](#)
 - c. [Approval of the Subordinate Financing \(06/30/16\)](#)
 - d. [Documents required after settlement of Subordinate Financing \(04/18/24\)](#)
 - e. [Unauthorized Subordinate Financing \(06/30/16\)](#)
- 43.31 [General Servicing requirements for Credit Facilities \(revolving lines of credit\) \(06/29/17\)](#)
 - a. [Defined terms \(06/29/17\)](#)
 - b. [Undertaking to Service \(06/29/17\)](#)
 - c. [Additional collateral \(06/29/17\)](#)
 - d. [Release \(06/29/17\)](#)
 - e. [Release of a Collateral Pool Property followed by a Securitized Loan \(06/29/17\)](#)
 - f. [Annual Property valuations \(06/29/17\)](#)
 - g. [Annual Borrower and Guarantor evaluation \(06/29/17\)](#)
 - h. [Material Adverse Change to Borrower or Mortgaged Property \(06/29/17\)](#)
 - i. [Debt Service Coverage Ratio \(06/29/17\)](#)
 - j. [Loan to Value Ratio \(06/29/17\)](#)
 - k. [Transfers \(06/29/17\)](#)
 - l. [Monitoring of Borrower Covenants \(06/29/17\)](#)
 - m. [Expansions \(06/29/17\)](#)
 - n. [Contractions \(06/29/17\)](#)
 - o. [Commitment fees \(06/29/17\)](#)
 - p. [Servicing requests \(06/29/17\)](#)
 - q. [Credit Agreements \(06/29/17\)](#)
- 43.32 [Infrastructure Telecommunications Agreement Servicing Requests \(04/18/24\)](#)
 - a. [Permitted Infrastructure Agreements not requiring consent \(04/18/24\)](#)
 - b. [Infrastructure Agreement Servicing Requests the Servicer is permitted to approve \(04/18/24\)](#)



- c. [Documentation for an Infrastructure Agreement Servicing Request not requiring Freddie Mac approval \(04/18/24\)](#)
- d. [File retention requirements for an Infrastructure Agreement Servicing Request not requiring Freddie Mac approval \(04/18/24\)](#)
- e. [Infrastructure Agreement Servicing Request requiring Freddie Mac approval \(04/18/24\)](#)
- f. [Recordation of an Infrastructure Agreement requiring Freddie Mac approval \(04/18/24\)](#)
- g. [Required documentation for an Infrastructure Agreement Servicing Request requiring Freddie Mac approval \(04/18/24\)](#)

43.33 [Deadlines in Article I \(Key Loan Terms\) and Exhibits and Riders to the Loan Agreement \(10/20/22\)](#)

43.34 [Reporting of Property and Borrower news and events \(04/18/24\)](#)

43.35 [Nonstandard processing fees payable by borrower in Loan Documents \(02/27/25\)](#)



43.1 Specific Servicing responsibilities; delivery of documents (04/18/24)

This chapter sets forth the Servicer's responsibilities for transaction-related requirements in Servicing the Mortgage.

- **Delivery of documents and notices to Freddie Mac: electronic delivery**

When this chapter requires electronic delivery of any document, the Servicer must submit all items required to be delivered to Freddie Mac by uploading the documents into the Document Management System (DMS) and using the "File Submission" link to notify:

- For Structured Transactions, Tax Exempt Bond Credit Enhancements, Acquisition Rehabilitation/Lease-Up/Moderate Rehabilitation loan products, or Credit Facilities, *"Structured Transactions"*
- For all other Mortgages, *"Borrower Transactions"*

CRT can also be used to upload any applicable documentation for the consent request rather than uploading the document directly into DMS.

- **Delivery of original documents to Freddie Mac.** Unless otherwise stated, when this chapter requires delivery of an original document with respect to any Mortgage, the Servicer must:

- Upload the document into DMS, and
- Deliver a hard copy to:
 - For Structured Transactions, Tax Exempt Bond Credit Enhancements, Acquisition Rehabilitation/Lease-Up/Moderate Rehabilitation loan products, or Credit Facilities, *Freddie Mac Multifamily Asset Management, Structured Transactions*
 - For all other Mortgages, *Freddie Mac Multifamily Asset Management, Borrower Transactions*

- **Servicing responsibilities – insurance**

For non-SBL Mortgages, the following sections of Chapter 31 state the Servicer's ongoing responsibilities with regard to insurance:

Section 31.8	Flood insurance requirements
Section 31.12	Ordinance and Law coverage
Section 31.22	Verification of required and continuing property and liability insurance coverage
Section 31.24	Ensuring continuous coverage and forced placed insurance

For SBL Mortgages, throughout the term of the SBL Mortgage, the Servicer must evaluate the insurance coverage and limits for each SBL Mortgage and determine, to its satisfaction, that

Guide Bulletin Update 02/27/25 Chapter 43 – Page 6



adequate property and liability insurance coverage is in place. Servicers must follow the requirements of Chapter 31 to ensure that they comply with their ongoing responsibilities with regard to evaluating and documenting adequate insurance coverage.

43.2 IRS Form 1098, Mortgage Interest Statement (09/28/12)

a. Completing IRS Form 1098 (05/06/05)

The Servicer must provide IRS Form 1098, Mortgage Interest Statement, to the IRS and the Borrower as required under section 6050H of the Internal Revenue Code. This reporting must be done for each Mortgage owned in whole or in part by Freddie Mac. The Servicer's name, address and federal identification number must be reported for "Recipient." The Borrower's name, address and Social Security number must be reported for "Payer."

b. Retention of IRS Form 1098 (05/06/05)

The Servicer must maintain copies of all statements and reports that Freddie Mac requires the Servicer to provide directly to the Borrowers and the IRS in compliance with section 6050H of the Internal Revenue Code and make such copies available for examination by Freddie Mac upon request.

c. Penalties (09/28/12)

The Servicer is responsible for any penalty levied by the IRS for not reporting timely, nonreporting or reporting of inaccurate information, as applicable, with respect to those statements and reports that Freddie Mac requires the Servicer to provide directly to the Borrowers and the IRS.

43.3 IRS Form 1099-A and 1099-C requirements (10/21/21)

Whenever Freddie Mac or a third party acquires an interest in a Property in full or partial satisfaction of Freddie Mac's Mortgage or when Freddie Mac or the Servicer knows or has reason to know that a Property has been abandoned, the Servicer must provide Internal Revenue Service (IRS) Form 1099-A, Acquisition or Abandonment of Secured Property. For all cancellations of mortgage debt on or after January 1, 2005 with respect to a Mortgage owned or guaranteed in whole or in part by Freddie Mac, the Servicer must report the cancellation of the Borrower's mortgage debt to the IRS on IRS Form 1099-C, Cancellation of Debt.

The Servicer must file Forms 1099-A and 1099-C with the IRS, the Borrowers and the States (as required). The Servicer must also notify Freddie Mac of its filings with the IRS on Freddie Mac [Form 1065M, Report of IRS Form 1099-A and Form 1099-C Filings](#).

a. General instructions for filing IRS Forms 1099-A and 1099-C with IRS (10/21/21)

The Servicer must file all IRS Forms 1099-A and 1099-C with the IRS electronically. Paper filing is not an option as the number of forms that will be filed under Freddie Mac's tax identification number will exceed the maximum allowed for paper filing.

The Servicer must file its forms with the IRS no later than March 31 of the year following the calendar year that the Property is abandoned (Form 1099-A) or the debt is canceled (Form



1099-C). The Servicer must furnish the Borrower with a copy of any Forms 1099-A and 1099-C filed with the IRS on or before January 31 of the calendar year the form is filed with the IRS.

IRS requirements for filing electronically are set forth in IRS Publication 1220, Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498 and W2-G. A Servicer may obtain this publication by downloading it from the IRS website at www.irs.gov or by calling the IRS at 1-800-TAX-FORM (1-800-829-3676). Instructions for completing IRS Forms 1099-A and 1099-C are set forth in Freddie Mac [Form 1065M](#).

The Servicer must insert appropriate header information on the electronic report it files with the IRS in accordance with the record descriptions in the following table:

Field Name	Data Description
Payer "A" Record	
Payer's TIN	For non-securitized loans, use 520904874 and for securitized loans, use the trust's TIN
First Payer Name Line	Federal Home Loan Mortgage Corporation
Payer Shipping Address	8200 Jones Branch Drive
Payer City	McLean
Payer State	VA
Payer ZIP Code	22102
Payer's Telephone Number & Extension	Servicer's telephone number
"B" Record	
Payee's TIN	Borrower's TIN
Payer's Account Number for Payee	The nine-digit Freddie Mac loan number followed by one space and the six-digit Seller/Servicer number
First Payee Name Line	First Borrower's name
Second Payee Name Line	Second Borrower's Name, if appropriate
Payee Mailing Address	Most recent address for Borrower
Payee City	Most recent address for Borrower
Payee State	Most recent address for Borrower
Payee Zip Code	Most recent address for Borrower

The Borrower's TIN is required to complete Forms 1099-A and 1099-C. If the Servicer does not have the Borrower's TIN, the Servicer must make a reasonable effort to obtain the TIN. Such request must clearly notify the Borrower that the IRS requires the Borrower to provide its TIN and that failure to do so subjects the Borrower to a \$50 penalty imposed by the IRS. To request the TIN, the Servicer must use IRS Form W-9, Request for Taxpayer Identification Number and Certification. However, the Borrower is not required to certify the TIN under penalties of perjury.



To correct or void previously submitted IRS Forms 1099-A or 1099-C, the Servicer must refer to IRS requirements to determine how to report either for electronic corrections or voids. To avoid or minimize penalties that may be imposed by the IRS, the Servicer must report corrections or voids to the IRS when an error is discovered.

The Servicer is responsible for completing the IRS Forms 1099-A and 1099-C and for providing the information to the IRS and to the Borrower in a timely and accurate manner. If the IRS penalizes Freddie Mac or assesses any fee for failure to produce such information or because a Servicer failed to file a report, or filed an untimely, incorrect or incomplete report, the Servicer must reimburse Freddie Mac for all costs incurred by Freddie Mac as a result of such penalty or assessment.

The Servicer must maintain copies of all statements and filings that Freddie Mac requires the Servicer to provide directly to the Borrowers and the IRS in compliance with the Internal Revenue Code. The Servicer must make such copies available for examination by Freddie Mac upon request until Freddie Mac agrees, in writing, that such records may be destroyed.

The Servicer must comply with the IRS's and the various States' requirements, as amended from time to time, for filing IRS Forms 1099-A and 1099-C. The Servicer is also responsible for providing a copy of any forms filed with the IRS to those States that have filing requirements. The Servicer should consult with its tax advisors, the States or the IRS concerning questions on such requirements.

b. Instructions for filing IRS Form 1099-A, Acquisition or Abandonment of Secured Property (06/29/17)

The Servicer must provide Form 1099-A to the IRS and the Borrower as required under Section 6050J of the Internal Revenue Code. This reporting must be done whenever Freddie Mac or a third party acquires an interest in a Property in full or partial satisfaction of Freddie Mac's secured debt or when Freddie Mac or the Servicer knows or has reason to know that a Property has been abandoned.

For the purposes of filing this report, the following instructions apply:

- Freddie Mac acquires an interest in the Property either:
 1. On the date of the foreclosure sale or the date the Borrower's right of redemption, if any, expires, whichever occurs later, or
 2. At the time a deed-in-lieu of foreclosure is recorded.
- A third party acquires an interest at the time of the foreclosure sale.
- Abandonment has occurred when Freddie Mac or the Servicer has reason to know from all the facts and circumstances concerning the status of the Property that the Borrower intended to and has permanently discarded the Property from use. If a Servicer determines that an abandonment has occurred and expects to commence foreclosure proceedings within three months, the reporting obligation generally arises at the end of the three-month period.

The following events trigger the reporting requirement:

Guide Bulletin Update 02/27/25 Chapter 43 – Page 9



- **Freddie Mac acquisition** – Freddie Mac acquires the Property at a foreclosure sale or by deed-in-lieu of foreclosure
- **Third party sale** – a third party acquires the Property at a foreclosure sale
- **HUD, RHS or VA acquisition** – the Property was acquired by HUD, RHS, or the VA
- **Abandonment** – the Property has been abandoned, three months have passed and foreclosure proceedings have not begun

A completed IRS Form 1099-A must be filed electronically with the IRS on or before March 31 of the year following the calendar year in which the reportable event occurred. A copy of the Form 1099-A must be mailed to each Borrower on or before January 31 of the same calendar year as the Form 1099-A was filed with the IRS.

See Section 43.3(c) in the event that both IRS Forms 1099-A and 1099-C may be filed as the result of a cancellation of debt in connection with a foreclosure or similar action in the same year for the same Borrower.

c. Instructions for filing IRS Form 1099-C, Cancellation of Debt (06/29/17)

The Servicer must report cancellations of Borrower's Mortgage debt on Internal Revenue Service (IRS) Form 1099-C as required under Section 6050P of the Internal Revenue Code for all cancellations of mortgage debt of \$600 or more occurring on or after January 1, 2005, with respect to Mortgages owned or guaranteed in whole or in part by Freddie Mac. Form 1099-C must be filed regardless of whether the Borrower must report the cancellation of debt as income.

If in the same calendar year, the Servicer cancels a debt in connection with a foreclosure or abandonment of the Property, it is not necessary to file both Forms 1099-A and 1099-C for the same Borrower. The Servicer will meet the filing requirement for Form 1099-A by completing boxes 4, 5, and 7 on Form 1099-C. However, the Servicer may complete both Forms 1099-A and 1099-C separately; in that case, the Servicer should not complete boxes 4, 5, and 7 on Form 1099-C. See [Form 1065M](#) for filing instructions for IRS Forms 1099-A and 1099-C.

Servicers are not required to report the following on IRS Form 1099-C:

- **Interest** - Servicers do not need to include interest as part of the canceled debt in box 2. However, if interest is reported as part of the canceled debt in box 2, show the interest separately in box 3.
- **Nonprincipal amounts** - Nonprincipal amounts include penalties, fines, fees and administrative costs.
- **Release of a Borrower** - IRS Form 1099-C does not need to be filed if one of the Borrowers on a Mortgage is released, as long as the remaining Borrowers remain liable for the full amount of the unpaid Mortgage.
- **Guarantor or surety** - A guarantor is not a debtor for purposes of Form 1099-C, even if demand for payment is made to the guarantor.



For Mortgages originated after 1994 that involve Borrowers who are jointly and severally liable for the Mortgage, the Servicer must report the entire amount of the canceled debt on each Borrower's Form 1099-C. Multiple Borrowers are jointly and severally liable for a debt if there is no clear and convincing evidence to the contrary. If the Servicer can show that joint and several liability does not exist, the Servicer must file Form 1099-C for each Borrower for whom the Servicer canceled a debt of \$600 or more.

For Mortgages originated before 1995, the Servicer must file Form 1099-C only for the primary (or first-named) Borrower. If the Servicer knows or has reason to know that the multiple Borrowers were husband and wife who were living at the same address when the debt was incurred, and the Servicer has no information that these circumstances have changed, the Servicer may file only one Form 1099-C.

For purposes of Form 1099-C, the following instructions apply:

- A debt may include all amounts owed, including stated principal, stated interest, fees, penalties, administrative costs and fines. However, only stated principal is required to be reported. If accrued interest is included in the amount of the stated debt in box 2, then it must be reported in box 3.
- A debt is canceled on the date an identifiable event occurs. An identifiable event is:
 1. Discharge in bankruptcy under Title 11 of the U.S. Code. The Servicer must report the debt canceled in bankruptcy for the later of the year in which the amount of canceled debt first can be determined, or the year in which the debt is canceled in bankruptcy.
 2. A cancellation or extinguishment making the debt unenforceable in a receivership, foreclosure or similar proceeding.
 3. A cancellation or extinguishment when the statute of limitations for collecting the debt expires, or when the statutory period for filing a claim or beginning a deficiency judgement proceeding expires. Expiration of the statute of limitations is an identifiable event only when the Borrower's affirmative statute of limitations defense is upheld in a final judgement or decision of a court and the appeal period has expired.
 4. A cancellation or extinguishment when deficiency rights were not preserved during the foreclosure process.
 5. A cancellation or extinguishment when Freddie Mac makes the determination not to pursue a deficiency action post-foreclosure and notifies the Servicer of such determination.
 6. A cancellation or extinguishment when Freddie Mac elects foreclosure remedies that by law end or bar the creditor's right to collect the debt. This event applies if collection is barred by local law after a "power of sale" in the Mortgage or deed of trust is exercised.
 7. A cancellation or extinguishment due to a probate or similar proceeding.
 8. A discharge of indebtedness under an agreement with the debtor to cancel the debt at less than full consideration (e.g. a short sale). Freddie Mac will advise the Servicer if

Guide Bulletin Update 02/27/25 Chapter 43 – Page 11



such an agreement is reached with a Borrower.

9. A discharge of indebtedness because of a decision or a defined policy of the creditor to discontinue collection activity and cancel the debt. A creditor's defined policy can be in writing or an established business practice. A practice to stop collection activity and abandon a debt when a particular nonpayment period expires is a defined policy.

Facts and circumstances indicating that a debt was not canceled include the existence of a lien relating to the debt (up to the value of the security) or the sale or packaging for sale of the debt by the creditor.

In the event of a foreclosure sale where deficiency rights were preserved, the Servicer must not initially file a Form 1099-C. Freddie Mac will determine whether to pursue collection of the deficiency of that Mortgage. If Freddie Mac makes a determination not to pursue collection of the deficiency, Freddie Mac will notify the Servicer and the Servicer must then file the IRS Form 1099-C.

Each Servicer must file its reports with the IRS not later than March 31 of the year following the calendar year in which the cancellation of debt occurs.

d. Instructions for filing Freddie Mac Form 1065M, Report of IRS Form 1099-A and Form 1099-C Filings (04/15/21)

The Servicer must notify Freddie Mac that the Servicer reported to the IRS electronically. When the Form 1099-A or Form 1099-C is sent to the IRS, the Servicer must submit [Form 1065M](#) to Freddie Mac. The Servicer should not send Freddie Mac copies of the Form 1099-A or Form 1099-C that it filed with the IRS.

When corrections or voids are submitted to the IRS, a copy of [Form 1065M](#) must be submitted to Freddie Mac. [Form 1065M](#) should indicate the number of corrected or voided IRS Forms 1099-A and 1099-C that were submitted to the IRS.

[Form 1065M](#) should be mailed to Freddie Mac at the address shown on the form.

43.4 IRS Form 1099-MISC, Miscellaneous Income, and IRS Form 1099-NEC, Nonemployee Compensation (08/18/22)

Servicers must not prepare or file IRS Form 1099-MISC, Miscellaneous Income, or IRS Form 1099-NEC, Nonemployee Compensation, using Freddie Mac's name or Taxpayer Identification Number (TIN). The Servicer should consult with its tax advisor to review its reporting obligations with regard to the filing of Forms 1099-MISC and 1099-NEC.

43.5 Continuation of Uniform Commercial Code (UCC) financing statements; termination (06/27/19)

a. UCC continuation statements (12/14/18)

During the term of the Mortgage, the Servicer must maintain the continuity of Freddie Mac's perfected security interest in personal property relating to the Property (including chattel and fixtures). The Servicer must monitor the expiration dates of financing statements filed and



recorded with respect to such personal property, and must ensure that all necessary continuation statements (including so-called "in-lieu" filings, if applicable) are filed in a timely manner and recorded with the proper office(s) in accordance with applicable law, prior to the expiration date. Promptly after filing or recordation, the Servicer must electronically deliver evidence of such continuation statements to Freddie Mac.

b. Termination statements (05/06/05)

Following payment in full of a Mortgage, the Servicer must promptly file and record termination statements evidencing the release of Freddie Mac's security interest in the personal property located on the Property. The Servicer must file such termination statements, at the Servicer's expense, in each office in which a financing statement has been filed or recorded.

c. Freddie Mac signature (05/31/12)

In instances where the Servicer determines that Freddie Mac's signature is required by local law in order for a continuation or termination statement to be accepted for filing or recordation, or to be effective, the Servicer must forward the completed continuation or termination statements to Freddie Mac *Multifamily Asset Management, Borrower Transactions* for signature by Freddie Mac. Freddie Mac will return the signed forms to the Servicer, and the Servicer must then file and record them at its own expense. If Freddie Mac has provided written authorization to the Servicer to execute continuation or termination statements on behalf of Freddie Mac, it is unnecessary for the Servicer to send the statements to Freddie Mac for signature.

d. Copies to Freddie Mac (09/28/12)

Promptly following recording or filing, the Servicer must electronically deliver to Freddie Mac a copy of the continuation or termination statement showing all recording or filing information (recorder's stamp, book and page numbers, or instrument number).

e. Limited power of attorney (06/27/19)

A Servicer may elect to request a limited power of attorney from Freddie Mac that enables the Servicer to execute continuation and termination statements on behalf of Freddie Mac. The Servicer must request this limited power of attorney in writing from Freddie Mac *Multifamily Asset Management, Borrower Transactions*.

This limited power of attorney is not available to a Servicer that is not a member of the Optigo Lender network.

43.6 Unauthorized transfers (04/18/24)

The Servicer must be alert to unauthorized Transfers of Ownership. Section 41.8 or Section 41SBL.8, if applicable, describes what the Servicer must do if it learns of an unauthorized Transfer of Ownership. In order to determine whether and under what circumstances a Borrower may carry out a Transfer of Ownership, the Servicer must first determine what actions the Loan Documents permit. Chapter 41 fully describes the requirements with regard to Transfers of Ownership.



43.7 Late charges; default interest (04/18/24)

a. Mortgages originated on or after July 8, 1992 (06/30/16)

For Mortgages originated on or after July 8, 1992, the Servicer must remit collected late charges and default interest to Freddie Mac as described below:

- For fixed-rate Mortgages, other than TAH bond credit enhancement Mortgages, the Servicer may retain all late charges collected by the Servicer within 30 days after the Due Date of the related installment. The Servicer must remit to Freddie Mac *Multifamily Loan Accounting* 50 percent of any late charges collected by the Servicer more than 30 days after the Due Date of the related installment. Freddie Mac reserves the right to waive any late charge, in its discretion.
- For ARMs, the Servicer must remit to Freddie Mac *Multifamily Loan Accounting* 50 percent of all late charges collected by the Servicer. Freddie Mac reserves the right to waive any late charge, in its discretion.
- For SBL Hybrid ARM Mortgages:
 - During the period in which the fixed interest rate is in effect, the Servicer may retain all late charges collected by the Servicer within 30 days after the Due Date of the related installment. The Servicer must remit to Freddie Mac *Multifamily Loan Accounting* 50 percent of any late charges collected by the Servicer more than 30 days after the Due Date of the related installment.
 - During the period in which the adjustable interest rate is in effect, the Servicer must remit to Freddie Mac *Multifamily Loan Accounting* 50 percent of all late charges collected by the Servicer.
 - Freddie Mac reserves the right to waive any late charge, in its discretion.
- The Servicer must remit all collected default interest to Freddie Mac *Multifamily Loan Accounting*.

b. Mortgages originated prior to July 8, 1992 (08/30/13)

For Mortgages, other than TAH bond credit enhancement Mortgages, originated prior to July 8, 1992, the Servicer may retain late charges and default interest as additional Servicing compensation. In imposing late charges and/or default interest, the Servicer:

- May collect increased interest (default interest) during Delinquencies or other defaults only to the extent expressly provided for in the Note
- May not impose any late charge for any monthly installment received within 10 days after the payment is due (If the grace period ends on a weekend or holiday, it is extended to the next Business Day.)
- May not impose a late charge in an amount more than five percent of the monthly principal and interest installment that is late (or any lesser amount specified in the Note)



c. Collection of late charges and default interest (04/30/13)

To the extent permitted by applicable law, the Servicer must use its best efforts to collect unpaid late charges and default interest. For example, if allowable under local law, the Servicer must require the Borrower to pay such amounts prior to release of the Mortgage.

For all Mortgages, regardless of the date of origination or any provision to the contrary in the Loan Documents, the Servicer may not use any of the following methods to collect due and unpaid late charges or default interest:

- Charging the Borrower's Reserves
- Deducting from a regular payment of the monthly installment
- Deducting from a payment made to partially or fully cure a Delinquency
- Adding to the outstanding principal balance of the Mortgage
- Bringing a legal collection action against the Borrower, unless:
 - The Servicer projects that the expected recovery will exceed the cost of the action, and
 - The Servicer obtains the prior written consent of Freddie Mac for such action

d. Waiver of the collection of a late charge (04/18/24)

For all fixed-rate Mortgages, the Servicer has the authority to waive, without the consent of Freddie Mac, the collection of a late charge for a payment received less than 30 days after the scheduled payment date. The Servicer may grant this waiver up to three times during the life of a Mortgage, provided that:

- The Servicer determines that the Borrower has a justifiable reason for the request,
- The late payment is not due to cash flow problems, and
- The Mortgage:
 - Has not been late within the last 12 months,
 - Has a Risk Rating of six or less,
 - Is not in default,
 - Has not been securitized, and
 - Is not credit-enhanced by a third party.

If the late payment is due to cash flow problems, the Seller/Servicer may not waive the late charge and must contact Freddie Mac *Multifamily Asset Management, Borrower Transactions*



or, for Structured Transactions, *Multifamily Asset Management*, *Structured Transactions*, to approve this request.

The Servicer may only agree to a third waiver request if the Borrower agrees to, or in the case of a fixed-rate SBL Mortgage, is already required to, auto-debit the required payment for a minimum of the next 12 months.

The waiver must be approved by a supervisor or a higher-level manager of the Servicer and the Servicer must notify Freddie Mac of any actions taken under the delegated approval within 30 days of the effective date of the approval by electronically delivering to Freddie Mac the [General Servicing Request](#), along with any supporting documentation.

The Servicer must document the waiver and retain evidence of the waiver in the Mortgage File. The Servicer may not waive collection of any late charge payable under the Note for an ARM, an SBL Hybrid ARM, or a TAH bond credit enhancement Mortgage.

e. Request for waiver (04/18/24)

After a Servicer has granted three waivers of the collection of late charges per Section 43.7(d), or if Section 43.7(d) otherwise does not permit the Servicer to approve a waiver request, if the Servicer determines that a waiver is necessary or desirable, the Servicer must take the following actions:

1. Enter the waiver request into CRT. The CRT record should be created with the selection that Freddie Mac approval is required for Mortgages owned by Freddie Mac.
2. Electronically deliver the [General Servicing Request](#) form, including any necessary supporting documentation.

43.8 Casualty losses and natural disaster losses (09/14/23)

a. Form 1140, Hazard Loss Notification (09/14/23)

1. Form 1140, Part I – Notification

The provisions of Section 43.8(a)(1) apply to a Mortgage secured by a Property that suffers a loss or damage and meets any of the following conditions:

- There has been an event of default under the Loan Documents
- Death or serious injury has resulted from the event
- The Mortgage is an SBL Mortgage and the estimated loss is greater than \$25,000
- The Mortgage is a non-SBL Mortgage and the estimated loss is greater than \$50,000

As soon as possible, but in no event more than 14 calendar days after a Servicer learns that a loss or damage has occurred with respect to a Property, regardless of whether the Borrower plans to submit an insurance claim, the Servicer must:



- Complete [Form 1140](#), Part I - Notification
- Upload the completed form to the Document Management System (DMS), using the “File Submission” link to “Submit to Hazard Loss”

If the restoration is already 100 percent complete, the Servicer must upload a fully completed [Form 1140](#), Part I – Notification and either a fully completed Part I – Follow Up or Part II – Restoration Plan for Approval (depending on whether Freddie Mac approval is required under Section 43.8(a)(3)) to DMS and use the “File Submission” link to “Submit to Hazard Loss”.

2. Form 1140, Part I – Follow Up

If none of the Freddie Mac approval conditions listed in Section 43.8(a)(3) exist, then within 90 calendar days after the Servicer submitted Part I – Notification, or earlier upon Freddie Mac request, the Servicer must upload a fully completed Part I – Follow Up to the corresponding Property Reporting System (“PRS”) entry.

3. Form 1140, Part II – Restoration Plan for Approval:

If none of the Freddie Mac approval conditions listed below exist, then the Servicer is not required to complete Part II of [Form 1140](#).

If one or more of the following conditions exists, Freddie Mac approval of the Borrower’s restoration plans is required:

- There has been an event of default under the Loan Documents
- Death or serious injury has resulted from the event
- The percentage of units that sustained any damage is 10 percent or more of the Property’s total units
- The estimated loss amount is greater than \$500,000 or 10 percent of the outstanding UPB
- For non-SBL Mortgages, the estimated loss exceeds the Borrower Proof of Loss Maximum (as defined in the Loan Agreement)
- The Mortgage has not been securitized, has a Risk Rating greater than six and the estimated loss is greater than \$50,000
- The Borrower’s insurance coverage is insufficient to cover the loss to the Property or loss of rents/business income and the estimated loss amount is greater than \$50,000

If Freddie Mac approval is required for the Borrower’s restoration plans, the Servicer must complete [Form 1140](#), Part II – Restoration Plan for Approval within 90 calendar days after the Servicer submitted Part I – Notification, and provide it to Freddie Mac as follows:



- If the Servicer has not previously submitted [Form 1140](#), Part I – Notification, the Servicer must upload the completed Part I – Notification and Part II to DMS and use the “File Submission” link to “Submit to Hazard Loss”
- If the Servicer has previously submitted [Form 1140](#), Part I – Notification, the Servicer must upload Part II – Restoration Plan for Approval directly to the corresponding PRS entry

Freddie Mac will review the Servicer's recommendations and provide its approval or directions for alternate action. Under most circumstances, Freddie Mac will delegate responsibility for managing and approving disbursement requests to the Servicer. If delegation of disbursement requests is not approved, the Servicer must submit [Form 1140-DR](#) to the corresponding PRS entry.

If the Servicer is requesting approval to permit the Borrower to pay down the Mortgage in lieu of restoring all or a portion of the damaged Property, the Servicer must make a Consent Request Tracker (CRT) entry and submit corresponding consent request approval documentation to Freddie Mac.

b. Reserved (03/30/12)

c. Use of insurance proceeds (06/30/16)

1. The Servicer must require the Borrower to obtain either a "repair or replacement" settlement to use the insurance proceeds to rebuild/repair the damaged Property or to obtain an "actual cash value" settlement to pay down the principal balance of the Mortgage; the type of settlement required for the Mortgage will be determined in Freddie Mac's discretion in accordance with the applicable terms of the Loan Documents, and additionally for SBL Mortgages, in accordance with Sections 43.8(c)(3) and 43.8(c)(4). If, in its discretion, Freddie Mac requires that the Borrower obtain an actual cash value settlement to use the proceeds to pay down the principal balance of the Mortgage, the Borrower may request that the Servicer and Freddie Mac review current income and expense information to assess the economic viability of the Property and reconsider the decision regarding the use of the proceeds.
2. Unless the Loan Documents provide otherwise, if the Borrower uses the proceeds to pay down the principal balance of the Mortgage, no prepayment premium will be assessed with respect to that payment. If 20 percent or more of a building or Property is damaged or destroyed and Freddie Mac agrees to allow the use of the proceeds to repair or rebuild the Property, Freddie Mac may, in its discretion, require that the Servicer hold the proceeds in escrow and disburse them as work is completed in a workmanlike manner, bills are presented and the work is inspected.
3. For SBL Mortgages, if none of the conditions set forth in Section 43.8(c)(4) exist, then following a casualty that results in damage to the Property for which the cost of repairs will be less than \$100,000, the Servicer may authorize the Borrower to make proof of loss and adjust and compromise the claim without the prior consent of Freddie Mac, and the Servicer must hold the applicable insurance proceeds to be used to reimburse the Borrower for the cost of restoration of the Property and will not apply such proceeds to the payment of the principal amount of the SBL Mortgage.



4. For SBL Mortgages, Freddie Mac may require the Servicer to apply insurance proceeds to pay down the principal balance of the SBL Mortgage if Freddie Mac determines, in Freddie Mac's discretion, that any of the following conditions exist:
- An event of default (or any event, which, with the giving of notice or the passage of time, or both, would constitute an event of default) has occurred and is continuing.
 - There will not be sufficient funds from insurance proceeds, anticipated contributions of the Borrower of its own funds or other sources acceptable to Freddie Mac to complete the restoration.
 - The rental income from the Property after completion of the restoration will not be sufficient to meet all operating costs and other expenses, deposits to reserve funds required by the Loan Agreement and loan repayment obligations relating to the Property.
 - The restoration will be completed less than (i) six months prior to the maturity date of the loan if re-leasing will be completed prior to the maturity date, or (ii) 12 months prior to the maturity date if re-leasing will not be completed prior to the maturity date.
 - The restoration will not be completed within one year after the date of the loss or casualty.
 - The casualty involved an actual or constructive loss of more than 30 percent of the fair market value of the Property, and rendered untenable more than 30 percent of the residential units of the Property.
 - After completion of the restoration the fair market value of the Property is expected to be less than the fair market value of the Property immediately prior to such casualty (assuming the affected portion of the Property is re-let within a reasonable period after the date of such casualty).
 - Leases covering less than 35 percent of the residential units of the Property will remain in full force and effect during and after the completion of restoration.

d. Servicer responsibilities following a casualty loss (09/14/23)

Upon learning of loss or damage to the Property, the Servicer must:

1. Verify the extent of the loss or damage to the Property, including any impact on the habitability of units, health and safety of residents, condition of common areas, and the expected effect on the occupancy and financial strength of the Property.
2. Complete and submit Parts I and II of the [Form 1140, Hazard Notification and Plan](#), in accordance with Sections 43.8(a) and (b) above.
3. Ensure that the Borrower has taken all necessary and timely steps to:
 - a. Secure the Property



- b. Give adequate notice of the loss to the insurance carriers
 - c. Process the claim
 - d. If applicable, file for any disaster relief aid and notify Freddie Mac of the filing
4. Ensure that all insurance proceeds are delivered to the Servicer in the form of checks or drafts made jointly payable to Freddie Mac in care of the Servicer and to the Borrower. Freddie Mac hereby grants the Servicer authority to endorse such checks or drafts on Freddie Mac's behalf.
5. Ensure the judicious disbursements of insurance proceeds. The Servicer may only disburse insurance proceeds to a Borrower or release the proceeds from escrow upon the Servicer's verification that the work the funds will pay for has been satisfactorily completed.

If Freddie Mac approval of the Servicer's recommendation is required, the Servicer may not make any disbursements of insurance proceeds to the Borrower until Freddie Mac has given its written approval to the Servicer regarding the handling of the loss or damage.

- Under most circumstances, the Servicer will be responsible for managing and approving disbursement requests. However, if Freddie Mac approval of disbursement requests is required, the Servicer must complete and submit to Freddie Mac [Form 1140-DR, Hazard Loss Disbursement Request](#), for each draw request. The Servicer may not make any disbursements of insurance proceeds to the Borrower until Freddie Mac has received this form and has provided Freddie Mac's written approval to the Servicer of the Servicer's recommendations regarding the disbursement of insurance proceeds. For an SBL Mortgage, the Servicer's recommendation must include a confirmation that none of the conditions set forth in Section 43.8(c)(4) exist. The first [Form 1140-DR, Hazard Loss Disbursement Request](#), may be submitted with Part II – Restoration Plan for Approval of the [Form 1140, Hazard Loss Notification and Plan](#), if the situation requires simultaneous review of the hazard loss recommendations and the first Disbursement Request.
 - If Freddie Mac approval of disbursements is not required, the Servicer is not required to complete or submit the [Form 1140-DR](#).
 - The Servicer is responsible for monitoring the repair or restoration of the Property, including, when appropriate or in Freddie Mac's discretion, the employment of a qualified inspector or physical engineer to inspect the repairs or restoration.
6. Protect the priority of the Mortgage by obtaining, when the Servicer deems it necessary in the exercise of its prudent judgment or when required by Freddie Mac, waivers or releases of liens from all contractors and suppliers supplying labor or materials for the repairs and restorations.
 7. Record in the servicing loss file details of the loss or damage, the repairs or restoration to the Property, and disposition of insurance proceeds. Include any inspection reports (with photographs) completed by Servicer or third parties of the initial damage, progress inspections and completion inspection.



e. Freddie Mac Annual Inspection Form (AIF) (06/28/13)

In any subsequent AIF the Servicer must report on the status of the loss until it is fully resolved.

f. Notice of completion of restoration of the Property (09/14/23)

The Servicer must use its prudent judgment in determining whether all loss or damage has been resolved or repaired, as applicable. The Servicer may take the following actions, as appropriate, to ensure full remediation has taken place:

- Employing a qualified inspector or physical engineer to inspect the repairs or restoration
- Obtaining waivers or releases of liens from all contractors and suppliers supplying labor or materials for the repairs and restorations
- Requiring the Borrower to submit the Freddie Mac Multifamily [Completion of Restoration Certificate](#) when Freddie Mac restoration plan for approval is required

Within 30 days after the Servicer determines and documents that full remediation has occurred, the Servicer must provide written notification to Freddie Mac *Multifamily Asset Management, Surveillance Compliance* via email at MF_Loan_Compliance@freddiemac.com or upload to the corresponding Loan Item Tracking ("LIT") in the Property Reporting System ("PRS"). If the Servicer reports closure of the item in any other report to *Multifamily Asset Management*, the Servicer is held to the same standard regarding ensuring full remediation of the loss or damage.

g. Servicer responsibility following a natural disaster loss (09/14/23)

When a Servicer learns of a natural disaster (hurricane, earthquake, flood, tornado, etc.) via media or otherwise, the Servicer must take the following steps:

- Review its Freddie Mac Servicing portfolio and identify Properties potentially impacted by a Federal Emergency Management Agency (FEMA) Major Disaster declaration authorizing Individual Assistance
- Contact the Borrower for each potentially impacted Property to determine if the Property suffered any damage due to a natural disaster and if so, the extent of such damage

Note that FEMA Major Disaster areas authorized for Individual Assistance are designated by county and a Property may not be specifically located within the area of the county actually impacted by a disaster (wildfires for example).

Therefore, the Servicer should:

- Perform additional due diligence and assess and monitor local information available to determine if damage could have occurred at a Property; and
- Contact a Borrower in instances where the Servicer is unable to determine if a Property lies within an area of a FEMA designated county actually impacted by a natural disaster



- Promptly send an email to *Multifamily Asset Management, Surveillance Compliance* via email at MF_Loan_Compliance@freddiemac.com listing the potentially impacted Properties and initial details as to whether damage occurred

If the natural disaster has resulted in losses or damage to a Property the Servicer must:

1. Verify the extent of the losses or damages
2. Secure any abandoned Property
3. Assist the affected Borrower in filing for any disaster relief aid available
4. Notify Freddie Mac *Multifamily Asset Management, Surveillance Compliance* via email at MF_Loan_Compliance@freddiemac.com to determine appropriate follow-up actions and instructions regarding repairs

43.9 Reserved (06/30/16)

43.10 Easements (04/18/24)

This Section 43.10 does not apply to Infrastructure Agreement Servicing Requests, as described in Section 43.32.

a. Easements the Servicer is permitted to approve (04/18/24)

1. During any period in which Freddie Mac owns the Mortgage, the Servicer may approve the types of easements described in Section 43.10(a)(3) if all the following conditions are satisfied:
 - The Servicer determines, in its discretion, that the easement will not materially affect the operation or value of the Property or Freddie Mac's interest in the Property.
 - The Borrower is not requesting that Freddie Mac subordinate the lien of its Mortgage to the easement. For any such Borrower request, see Section 43.10(e).
 - The Servicer has not received notification from Freddie Mac that the Mortgage has been designated for inclusion in a Securitization.
 - The Mortgage does not back a Freddie Mac Multifamily Participation Certificate, a Freddie Mac Bond Credit Enhancement transaction or a Freddie Mac tax-exempt or taxable Multifamily bond securitization.
 - There are no investors who have provided credit enhancements for the Mortgage other than a Seller/Servicer, the Borrower or an Affiliate of the Borrower.
2. The Servicer must enter the Borrower request into the Consent Request Tracker as required by Section 36.25. The Consent Request Tracker record should be created with the selection that Freddie Mac approval is not required for Mortgages owned by Freddie Mac.



3. For any Mortgage which meets the requirements of Section 43.10(a)(1), the Servicer may approve the following types of easements:
 - A. Easements for local residential distribution of gas, water, electricity or other public utilities that do not have any adverse effect on the value of the Property.
 - B. Infrastructure Agreements constituting easements that Servicer is permitted to approve under Section 43.32.
 - C. Easements for the benefit of a third party (other than for local residential distribution of gas, water, electricity or other public utility) if all the following conditions are satisfied:
 - i. The Servicer has determined that there is no material adverse impact on the Property's value, operation, access, marketability, or on the income production of units or other income-producing improvements.
 - ii. The Property secures a Mortgage having a UPB of \$30 million or less as of the date of the Borrower's easement application with the Servicer.
 - iii. The Property secures a Mortgage with a Risk Rating of six or less.
 - iv. The Mortgage is current, with no evidence of default.
 - v. Compensation for the easement is less than the lesser of 0.5 percent of the UPB or \$100,000.
 - vi. The proposed easement is compatible with the use of the Property and would be generally acceptable to prudent lenders.
 - vii. A supervisor or higher-level manager on the Servicer's staff has approved the easement using the [Easement Request](#).

b. Documentation for an easement not requiring Freddie Mac approval (04/18/24)

Within 30 days after the grant of an easement not requiring Freddie Mac approval, the Servicer must:

- Notify Freddie Mac of any actions taken under the delegated approval within 30 days of the effective date of the approval by electronically delivering the Easement Request.
- Electronically deliver to Freddie Mac a copy of the Borrower request and the executed, recorded easement agreement. If a recorder or clerk delay makes it impossible to effect timely delivery of a copy showing the required information, the Servicer may provide a copy that the Title Company or closing attorney has certified as a "true and correct copy of the recorded original." The Servicer must electronically deliver a copy showing the required information as soon as such information is available.

For any easement that does not require Freddie Mac approval, the Servicer may charge the Borrower a nonrefundable review fee for an application in the amount specified in the Loan



Documents, or, if no amount is specified, in the amount set forth in [Exhibit 10](#). The Servicer may retain the entire fee, if any.

c. Recordation of an easement not requiring Freddie Mac approval (09/22/17)

For an easement not requiring Freddie Mac approval, Freddie Mac will provide each Servicer with a written limited power of attorney. The limited power of attorney will delegate to each Servicer the authority to sign certain documents on behalf of Freddie Mac for the limited purpose of approving an easement of one of the types set forth in Section 43.10(a). Any documents necessary to evidence the approval of such an easement must be executed by the Servicer as "[Name of Servicer], as Attorney-in-Fact for Freddie Mac."

The Servicer must maintain a record of each jurisdiction in which the limited power of attorney is recorded. Freddie Mac may require that the Servicer identify to Freddie Mac all jurisdictions where Freddie Mac's limited power of attorney has been recorded. The Servicer must comply with all local recording requirements and is solely responsible for paying any recording fee assessed by the applicable authority.

d. File retention requirements for an easement not requiring Freddie Mac approval (09/22/17)

The Servicer must maintain a file that contains the following information for a delegated easement approval:

- Borrower's original request for approval and required information
- Evidence of the Servicer's analysis and approval of the request
- Copies of the Servicer's notification of the approval to the Borrower and Freddie Mac
- Copies of the executed easement agreement and any other document signed on Freddie Mac's behalf

The Servicer must maintain the file in accordance with the requirements set forth in Section 34.4.

e. Procedure for an easement requiring Freddie Mac approval (04/18/24)

For any Mortgage for which the Servicer is not delegated approval authority under Section 43.10(a), the Servicer must take the following actions:

- Enter the Borrower request into the Consent Request Tracker as required by Section 36.25
- Promptly upon receipt of all applicable items listed in 1 - 8 below, electronically deliver those items to Freddie Mac, together with the Borrower's request and the Servicer's recommendation

For all easements that require Freddie Mac approval, the Servicer must charge the Borrower a nonrefundable review fee in the amount specified in the Loan Documents, or, if no amount is specified, in the amount set forth in [Exhibit 10](#). The Servicer must remit to Freddie Mac 50 percent of the review fee, if any, and may retain the remaining 50 percent. The Servicer may



not charge the Borrower any additional fees for processing an application for approval of an easement.

At the time of delivery of the request to Freddie Mac, the Servicer must remit to Freddie Mac the Freddie Mac portion of any review fee. The Servicer must:

- Obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions* or *Multifamily Asset Management, Structured Transactions*, as applicable
- Send the wire transfer to the attention of *Multifamily Cash Management*
- Reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number

The Servicer must deliver each of the following documents:

1. A completed [Easement Request](#), available via mf.freddiemac.com/lenders/asset, which must include the Servicer's analysis along with the Servicer's recommendation for action
2. [Form 1125, Borrower Application for Partial Release or Easement](#), completed and signed by the Borrower and any Guarantor(s)
3. Copy of the proposed easement agreement (including a complete legal description of the land that will be subject to the easement) and any proposed agreement to subordinate the Mortgage to the easement
4. Survey that shows the land subject to the easement (including a complete legal description) and any affected improvements and clearly delineates the location of the easement (If the easement is a blanket easement, a survey is not required. If the easement can be shown on a copy of the survey delivered to Freddie Mac at final delivery of the Mortgage, the Seller may use that copy to delineate the easement.)
5. Title update report, if requested by Freddie Mac
6. If the Servicer determines that there may be legal issues raised by the easement, a preliminary legal issues memorandum (PLIM) meeting the requirements of Section 6.4 or Section 6SBL.7, if applicable. If the Servicer does not submit a PLIM, and Freddie Mac determines that the transaction raises legal issues, Freddie Mac reserves the right to request that the Servicer deliver a PLIM
7. After the Servicer receives notification from Freddie Mac that a Mortgage has been designated for inclusion in a Securitization, if requested by Freddie Mac, the Servicer must deliver an opinion of counsel addressed to Freddie Mac and obtained at no expense to Freddie Mac which meets each of the following requirements:
 - The counsel providing the opinion is acceptable to Freddie Mac
 - The opinion is in form and substance satisfactory to Freddie Mac in its sole and absolute discretion



- The opinion confirms each of the following:
 - The grant of such easement has been effected in accordance with the requirements of Treasury Regulation Section 1.860G-2. (a)(8) (as such regulation may be modified, amended or replaced from time to time)
 - If the grant of easement occurs following the Securitization, then the qualification and status of the REMIC trust as a REMIC will not be adversely affected or impaired as a result of such grant
 - If the grant of easement occurs following the Securitization, then the REMIC trust will not incur a tax under Section 860G(d) of the Tax Code as a result of such grant

8. Any other information requested by Freddie Mac

Freddie Mac will determine whether to approve the proposed easement and subordination, if applicable, and will advise the Servicer, in writing, of that decision. The approval letter will set forth any further requirements, including payment of counsel fees.

If Freddie Mac approves the request, the Servicer must submit to Freddie Mac an execution-ready easement agreement, the subordination agreement (if applicable) and any other document that must be executed by the lender. Before submitting documents to Freddie Mac for signature, the Servicer and its counsel must review the documents to ensure that they:

- Are in the proper form
- Contain the proper signature lines and acknowledgments
- Correctly describe the easement, lease or subordination approved by Freddie Mac, including the legal description supported by the survey

f. Recordation of an easement requiring Freddie Mac approval (09/22/17)

The Servicer must comply with all local recording requirements and arrange for recordation of the easement agreement, the subordination agreement (if applicable), and any other applicable document at no cost to Freddie Mac.

g. Required documentation for an easement requiring Freddie Mac approval (04/18/24)

Within the time specified in the Freddie Mac approval letter, the Servicer must electronically deliver to Freddie Mac a copy of:

- The easement agreement and subordination agreement (if applicable), showing signatures and recording information. If a recorder or clerk delay makes it impossible to effect timely delivery of a copy showing the required information, the Servicer may provide a copy that the Title Company or closing attorney has certified as a "true and correct copy of the recorded original." The Servicer must deliver a copy showing the required information as soon as such information is available.
- Any other document required by the Freddie Mac approval letter



43.11 Request for partial release of Property (04/18/24)

a. Partial releases the Servicer is permitted to approve (06/30/16)

1. During any period in which Freddie Mac owns the Mortgage, the Servicer may approve certain partial releases unless one of the following applies:
 - The Mortgage was originated on a Note labeled “CME”
 - The Mortgage was originated on a Note with a revision date on or after March 1, 2014
 - The Servicer has received notification from Freddie Mac that the Mortgage has been designated for inclusion in a Securitization
 - The Mortgage backs a Freddie Mac Multifamily Participation Certificate or a Freddie Mac tax-exempt or taxable Multifamily bond securitization
2. For any Mortgage which meets the requirements of Section 43.11(a)(1), the Servicer may approve only partial releases that meet the following criteria:
 - a. The request for the partial release is not for improved collateral.
 - b. The request for the partial release does not relate to a TAH Bond credit enhancement transaction with compensation for the partial release.
 - c. The partial release is in favor of a municipality or government agency.
 - d. The partial release will have no adverse impact on the Property value. (The LTV Ratio after the partial release is not greater than before the partial release.)
 - e. The Property secures a Mortgage that has a Risk Rating of six or less, is not in default, is not credit-enhanced by a third party and is not a credit-enhanced bond.
 - f. Compensation for the partial release is less than the lesser of 0.5 percent of the UPB or \$100,000.
 - g. The Servicer has received and reviewed either:
 - A zoning report, or
 - A Preliminary Legal Issues Memorandum meeting the requirements of Section 6.4 or Section 6SBL.7, as applicable, confirming that the Property will remain in compliance with all zoning regulations after the partial release.
 - h. If the Servicer determines that legal issues may be raised by the partial release, the Servicer has received and reviewed a preliminary legal issues memorandum meeting the requirements of Section 6.4 or Section 6SBL.7, as applicable.



- i. A supervisor or higher-level manager on the Servicer's staff approved the partial release using the [Property Partial Release Request](#).
- j. There are no additional investors who have provided credit enhancements (other than those provided by a Seller/Servicer, Borrower or Affiliates of the Borrower).

For any partial release that does not require Freddie Mac approval, the Servicer may charge the Borrower a nonrefundable review/processing fee in the amount specified in the Loan Documents, or, if not specified, in the amount set forth in [Exhibit 10](#). The Servicer may retain the entire fee.

b. Documentation required following Servicer's delegated approval of a partial release (09/18/14)

Following a delegated approval of a partial release, the Servicer must electronically deliver to Freddie Mac, using the Property Partial Release Request, each of the following:

- A copy of the Servicer's approval
- Survey that shows both the land to be released and the land remaining under the lien of the Mortgage, including a complete legal description of both the land to be subject to the partial release and the land remaining under the lien of the Mortgage, (If the land to be released and the land remaining can be shown on a copy of the survey delivered to Freddie Mac at final delivery of the Mortgage, the Servicer may use that copy to delineate the land to be released. The Servicer must be able to delineate clearly on the survey the location of the land to be released and the land remaining under the lien of the Mortgage.),
- Copy of the proposed partial release (including a complete legal description of the land to be released)

The Servicer must also deliver original documents to be executed by Freddie Mac to complete and record the partial release.

c. Information required with a request for Freddie Mac approval of a partial release (04/30/19)

For any Mortgage for which the Servicer is not delegated approval authority under Sections 43.11(a) and (b), the Servicer must take the following actions:

- Enter the Borrower request into the Consent Request Tracker as required by Section 36.25
- Promptly upon receipt of all applicable items listed in 1-13 below, the Servicer must electronically deliver those materials to Freddie Mac, together with the Borrower's request and the Servicer's recommendation

For all partial releases that require Freddie Mac approval, the Servicer must charge the Borrower a nonrefundable review/processing fee for an application in the amount specified in the Loan Documents, or, if no amount is specified, in the amount set forth in [Exhibit 10](#). The Servicer must remit to Freddie Mac 50 percent of the review/processing fee, if applicable, and



may retain the remaining 50 percent. The Servicer may not charge the Borrower any additional fees for processing an application for approval of a partial release.

At the time of delivery of the partial release request to Freddie Mac, the Servicer must remit to Freddie Mac by wire transfer the Freddie Mac portion of the review/processing fee. The Servicer must:

- Obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions or Structured Transactions*, as applicable
- Send the wire transfer to the attention of *Multifamily Cash Management*
- Reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number

The Servicer must deliver each of the following documents:

1. A completed [Property Partial Release Request](#), which must include the Servicer's analysis along with the Servicer's recommendation for action
2. [Form 1125](#), Borrower Application for Partial Release or Easement, completed and signed by the Borrower and any Guarantor(s)
3. Survey that shows both the land to be released and the land remaining under the lien of the Mortgage, including a complete legal description of both the land to be subject to the partial release and the land remaining under the lien of the Mortgage (If the land to be released and the land remaining can be shown on a copy of the survey delivered to Freddie Mac at final delivery of the Mortgage, the Seller may use that copy to delineate the land to be released. The Servicer must be able to clearly delineate the location of the land to be released and the land remaining under the lien of the Mortgage on the survey.)
4. Copy of the proposed partial release (including a complete legal description of the land to be released)
5. Title update report dated not earlier than 45 days before the date of [Form 1125, Borrower Application for Partial Release or Easement](#)
6. Written explanation of the process to be followed in separating the tax lots, if applicable
7. Payment history of the Freddie Mac Mortgage for the previous 12 months
8. Color photographs of the land to be released, if requested by Freddie Mac
9. A Freddie Mac Annual Inspection Form (AIF), if requested by Freddie Mac
10. A zoning report or preliminary legal issues memorandum confirming that the Property will remain in compliance with all zoning regulations after the partial release
11. If the Servicer determines that there are possible legal issues raised by the partial release, a preliminary legal issues memorandum (PLIM) meeting the requirements of Section 6.4 or Section 6SBL.7, if applicable. If the Servicer does not submit a PLIM, and Freddie Mac

Guide Bulletin Update 02/27/25 Chapter 43 – Page 29



determines that the transaction raises legal issues, Freddie Mac reserves the right to request that the Servicer deliver a PLIM.

12. The Servicer's DCR and LTV analysis, addressing any changes resulting from the release and mitigating any negative changes (Note that an appraisal may be required to establish value for the proposed release parcel)

13. Any other information requested by Freddie Mac

d. Freddie Mac approval (04/30/19)

Freddie Mac will determine whether to approve the proposed partial release and will advise the Servicer, in writing, of that decision. Freddie Mac may require that any consideration being paid to the Borrower for the released land be applied to the UPB of the Mortgage to obtain an LTV Ratio no higher than the LTV Ratio of the Mortgage immediately before the partial release or to reduce the LTV Ratio (if Freddie Mac determines that the intended use of the released land would adversely affect the value of the remaining Property).

The approval letter will set forth any further requirements and will require the Servicer to collect a counsel fee to reimburse Freddie Mac for the fees, expenses and costs of Freddie Mac's legal counsel, including its in-house counsel. The Servicer must remit the counsel fee by wire transfer to Freddie Mac at the same time it submits the approval letter that the Servicer executes and returns to evidence its acceptance of the terms, or as otherwise instructed in the approval letter. The Servicer must obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions or Structured Transactions*, as applicable. The Servicer must send the wire transfer to the attention of *Multifamily Cash Management*. The wire transfer must reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number.

If Freddie Mac approves the proposed partial release, the Servicer must submit to Freddie Mac an execution-ready partial release and, if applicable, any other documents that must be executed by the lender. Before submitting the proposed partial release and any other applicable documents to Freddie Mac for signature, the Servicer and its counsel must review the documents to assure that they:

- Are in the proper form
- Contain the proper signature lines and acknowledgments
- Correctly describe the partial release approved by Freddie Mac, including a legal description supported by the survey

e. Recordation (05/07/07)

The Servicer must comply with all local recording requirements and arrange for recordation of the partial release and any other applicable documents at no cost to Freddie Mac.

**f. Documents required after partial release (04/18/24)**

Within the time specified in the Freddie Mac approval letter, the Servicer must deliver the following documents to Freddie Mac:

- By electronic delivery, the partial release, showing signatures and recording information (If a recorder or clerk delay makes it impossible to effect timely delivery of a copy showing the required information, the Servicer may provide a copy that the Title Company or closing attorney has certified as a "true and correct copy of the recorded original." The Servicer must deliver a copy showing the required information as soon as such information is available.)
- The original title endorsement updating the Property legal description and reflecting recording of the partial release
- Any other document required by the Freddie Mac approval letter

43.12 Condemnation/ eminent domain (06/30/16)**a. Requirements applicable to both non-SBL and SBL Mortgages (06/30/16)**

For any full or partial taking of the Property by condemnation or eminent domain, the Servicer must take the following actions after receiving notice of the initiation of such action:

- Enter the Borrower request into the Consent Request Tracker, as required by Section 36.25
- Promptly upon receipt of all applicable items listed in 1-13 of Section 43.11(c), electronically deliver those materials to Freddie Mac, together with the Borrower's request and the Servicer's recommendation; for an SBL Mortgage, the Servicer's recommendation must include an analysis of the requirements set forth in Section 43.12(b)
- Charge the Borrower a nonrefundable review fee in the amount specified in the Loan Documents, or, if no amount is specified, in the amount set forth in [Exhibit 10](#), and submit the review fee, if applicable, by wire transfer in the manner described in Section 43.11(c)
- Advise Freddie Mac whether either of the following circumstances exists:
 - The Property will be taken in whole and the consideration to be paid to the Borrower will be insufficient to satisfy the UPB of the Mortgage
 - The Property will be taken in part and the ratio of the UPB of the Mortgage to the current appraised value of the remaining Property is higher than the LTV Ratio of the Mortgage immediately before the taking, even after applying any consideration to reduce the UPB of the Mortgage.

b. Additional requirements applicable to SBL Mortgages (06/30/16)

Subject to the terms of the Loan Agreement (including Section 6.11(c) of the Loan Agreement), in the event of a partial condemnation of the Property, if the Servicer has determined that no event of default, or any event which, with the giving of notice or the passage of time, or both,



would constitute an event of default, has occurred and is continuing, then in the event of a partial condemnation resulting in proceeds or awards in the amount of less than \$100,000, the Servicer may authorize the Borrower to make proof of loss, adjust and compromise the claim and collect and receive any proceeds directly without the approval or prior consent of Freddie Mac so long as the proceeds or awards are used solely for the restoration of the Property.

In the event of a partial condemnation of the Property resulting in proceeds or awards in the amount of \$100,000 or more and subject to the terms of the Loan Agreement, Freddie Mac may require the Servicer to apply condemnation proceeds to the principal balance of the Mortgage if Freddie Mac, in Freddie Mac's discretion, determines that any of the following conditions is met:

- An event of default (or any event, which, with the giving of notice or the passage of time, or both, would constitute an event of default) has occurred and is continuing.
- There will not be sufficient funds from condemnation proceeds, anticipated contributions of Borrower of its own funds or other sources acceptable to Freddie Mac to complete the restoration.
- The rental income from the Property after completion of the restoration will not be sufficient to meet all operating costs and other expenses, deposits to Reserve funds and Mortgage repayment obligations relating to the Property.
- The restoration will not be completed at least one year before the maturity date of the Mortgage (or six months before the maturity date if re-leasing of the Property will be completed within such six-month period).
- The restoration will not be completed within one year after the date of the condemnation.
- The condemnation involved an actual or constructive loss of more than 15 percent of the fair market value of the Property, and rendered untenable more than 25 percent of the residential units of the Property.
- After restoration the fair market value of the Property is expected to be less than the fair market value of the Property immediately prior to the condemnation (assuming the affected portion of the Property is re-let within a reasonable period after the date of the condemnation).
- Leases covering less than 35 percent of residential units of the Property will remain in full force and effect during and after the completion of restoration.

43.13 Maturing Mortgages (04/18/24)

As a Mortgage approaches its maturity date, the Servicer must maintain contact with the Borrower and must keep Freddie Mac informed about the Borrower's plans regarding payoff of the Mortgage. Approximately six months prior to the maturity date of the Mortgage, *Multifamily Special Servicing* may request the Servicer to complete a [Form 1101, Legal Referral Form](#), and provide certain other information. The Servicer must return the completed [Form 1101](#) and any other requested information to Freddie Mac within 10 days of the request.

**a. Refinance candidates (06/27/19)**

The Servicer must evaluate each maturing Mortgage to determine whether the Mortgage may qualify for refinancing under a Freddie Mac purchase program or product and whether the Borrower is interested in pursuing such a refinance. The Servicer must advise Freddie Mac of the results of its analysis. Additional action to be taken depends upon whether the Servicer is a member of the Optigo Lender network.

1. If the Servicer is a member of the Optigo Lender network

If the Mortgage appears to qualify for a refinancing under a Freddie Mac purchase program or product and the Borrower is interested, the Seller/Servicer must contact the Applicable Freddie Mac *Multifamily Regional Office* to initiate a transaction.

2. If the Servicer is not a member of the Optigo Lender network

Freddie Mac may, in its sole discretion, elect to provide the Borrower with a list of Optigo Lenders for the geographic region in which the Property is located.

b. Monitoring of payoff plans (04/18/24)

The Servicer must keep Freddie Mac informed of the Borrower's efforts to secure alternate refinancing or to market and sell the Property to pay off the maturing Mortgage.

1. Letters to Borrower

The Servicer must send letters to the Borrower at the following times, requesting information about the Borrower's plans to pay off the Mortgage at maturity:

- Nine months prior to maturity
- Six months prior to maturity, if the Borrower has not responded to the previous letter
- Three months prior to maturity, if the Borrower has not responded to any prior letters

The Servicer may send each letter by certified mail, return receipt requested or via email. A copy of the Servicer's letter and any Borrower response must be sent to the assigned *Multifamily Asset Resolution Analyst* upon request.

Each letter listed above must emphasize that Freddie Mac expects that the Mortgage will be paid in full in accordance with its terms on or before the maturity date and that a failure to do so will constitute a default under the terms of the Mortgage.

2. Additional contacts with Borrower

If the Servicer has received no response from the Borrower within 30 days following its letter sent six months prior to the maturity date, the Servicer must attempt to contact the Borrower by telephone or in person to request the information regarding the Borrower's plans to pay off the Mortgage at maturity.



If the Servicer has not received a request for a payoff statement by the 30th day prior to the maturity date of the Mortgage, the Servicer must attempt to contact:

- The Borrower by telephone to confirm Borrower's source of funds to pay off the Mortgage at maturity, or
- The new lender directly for confirmation of its commitment to the Borrower, in the case of a third-party refinance.

3. Extensions

On a case-by-case basis, Freddie Mac may consider extension of a Mortgage to enable a Borrower to obtain funds to pay off a maturing Mortgage. Any extension will be on conditions specified by Freddie Mac. Those terms may include payment of an extension fee, an increase in the Mortgage interest rate, revised amortization, a paydown of the loan amount, and payment of all administrative costs in connection with the extension.

c. Transfer of Servicing of a matured Mortgage (10/07/08)

If a Mortgage has not been paid in full by its maturity date, Freddie Mac may, in its sole discretion, transfer Servicing of that Mortgage to another Servicer. If Freddie Mac elects to transfer Servicing of the matured Mortgage, the existing Servicer will not be compensated and must cooperate fully with Freddie Mac and the transferee Servicer.

43.14 Modification; release; waivers (06/17/21)

a. Limits on Servicer (04/30/13)

The Servicer must not modify, waive or release any term of any Note, Security Instrument or other Loan Document, accept any prepayment, or consent to any postponement of performance by any Borrower of any obligation under a Note, Security Instrument or other Loan Document except as authorized by the Purchase and Servicing Documents.

b. Collateral release (06/17/21)

For the requests listed below, the Servicer must complete and electronically deliver to Freddie Mac a written request and recommendation using the [Release/Extension of Monetary Collateral Request](#), attaching any necessary supporting documentation to include:

1. Release or reduction of Guaranty
2. Release of Rental Achievement Agreement
3. Release of Letter of Credit
4. Release of other Reserve



c. Waivers (06/17/21)

The Servicer must complete and submit a waiver request via the Freddie Mac Insurance Compliance Tool (ICT), which must include the Servicer's analysis along with the Servicer's recommendation for action, to request any waiver of the insurance requirements if the right to grant such a waiver has not been delegated to the Servicer. A certificate executed by a Chief Servicing Officer will not be required for any such request.

For any other type of waiver or requested adjustment to the Loan Documents, the Servicer must complete and submit a [General Servicing Request](#) and a certificate executed by a Chief Servicing Officer, both of which are available at <https://mf.freddiemac.com/lenders/guide/> under Forms for Asset Management.

43.15 Rate Reset Mortgages (04/30/19)

a. Submission of information to Freddie Mac (04/30/19)

Within 10 days following receipt of notice that the Borrower wishes to exercise its option to extend the term of a Rate Reset Mortgage and reset the interest rate, the Servicer must notify Freddie Mac *Multifamily Asset Management, Structured Transactions*. The Borrower must notify the Servicer of its intent to exercise the Rate Reset option no earlier than 180 days, and no later than 110 days prior to the maturity date of the original term. The Servicer must deliver the following items to Freddie Mac *Multifamily Asset Management, Structured Transactions*:

1. A copy of the Borrower's notice to the Seller
2. A certificate in a form acceptable to Freddie Mac, stating the following for each Borrower and Borrower Principal:
 - Bankruptcy or insolvency experience during the original Mortgage term
 - Default experience with respect to any Mortgage made by the same Borrower and held by Freddie Mac during the original Mortgage term
3. An AIF, dated within 60 days prior to submission
4. The Servicer's written analysis of whether the Borrower meets all requirements specified in the applicable Loan Documents for approval of the request to extend the Mortgage term and to reset the interest rate

The Servicer must remit the Rate Reset fee received from the Borrower by wire transfer. Unless otherwise specified in the Loan Documents, the fee must be equal to the amount set forth in [Exhibit 10](#). The Servicer must obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Structured Transactions*. The Servicer must send the wire transfer to the attention of *Multifamily Cash Management*. The wire transfer must reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number.

**b. Conditions for approval of extension/reset request (05/06/05)**

Freddie Mac will review the materials submitted by the Servicer and will make its determination whether the Borrower meets the applicable requirements for extension of the Mortgage term and resetting of the interest rate.

c. Notification and determination of eligibility for Rate Reset and extension (05/06/05)

Within 30 days after receipt of all documents from the Servicer as specified in Section 43.15(a), Freddie Mac will make a determination on whether the Borrower is eligible to extend the Mortgage term and reset the interest rate, and will deliver written notice of its determination to the Servicer.

1. Adverse determination

If Freddie Mac determines that the Borrower has not met all conditions for exercise of the option, Freddie Mac will return the Borrower's Rate Reset fee to the Servicer.

2. Approval determination

If Freddie Mac determines that the Borrower has met all conditions for exercise of the option, the Borrower's Rate Reset fee will be nonrefundable, and the notice will specify:

- The period that is not more than 70 days or less than 60 days prior to the original maturity date of the Mortgage during which the Servicer must lock the interest rate for the extended term, and
- The procedure that the Servicer must use to lock the reset interest rate

d. Execution of extension documentation (05/06/05)

After the Servicer locks the rate for the extended term, Freddie Mac will deliver to the Servicer the documentation (with instructions for completion) to be executed by the Borrower to evidence the reset interest rate effective during the extended term, the new monthly payment amount and the new maturity date of the Mortgage. The Servicer must arrange for the prompt execution and recording of the required documents.

e. Delivery of extension documentation to Freddie Mac (05/31/12)

The Servicer must deliver the following to Freddie Mac *Multifamily Asset Management, Structured Transactions* at least 30 days prior to the maturity date of the original term of the Mortgage:

- If required by Freddie Mac, copies of all recorded extension documents, each showing the recorder's stamp, book and page numbers, or instrument number
- Originals of any other documents required by Freddie Mac, and
- If required by Freddie Mac, an endorsement to the title insurance policy in a form acceptable to Freddie Mac and at no expense to Freddie Mac, insuring the continuing First Lien priority



of the Mortgage following the extension of the Mortgage term and resetting of the interest rate

If required by Freddie Mac, the Servicer must deliver the original recorded documents to Freddie Mac *Multifamily Asset Management, Structured Transactions* as soon as the Servicer receives them from the recorder or clerk.

f. Reimbursement of Servicer's costs (05/06/05)

The Servicer may obtain from the Borrower reimbursement of the Servicer's actual costs incurred in connection with the execution and recording of the documents evidencing the terms of the extended Mortgage, including attorneys' fees, recording costs and other out-of-pocket expenses.

g. Borrower's failure to complete extension process (05/06/05)

If the Borrower fails to complete the extension and Rate Reset process following a determination by Freddie Mac that the Borrower satisfies all conditions for exercise of the extension option, then Freddie Mac will retain the Borrower's Rate Reset fee, and the Mortgage will be due and payable in full on its original maturity date.

43.16 Risk detection and notification; Risk Ratings and monitoring responsibilities (06/29/17)

a. Loan compliance and risk detection responsibilities (05/01/14)

1. Risk detection

The Servicer must identify increased risk associated with a Property or Mortgage by:

- a. Inspecting the Property (including physical findings, market review and management evaluation)
- b. Reviewing the Mortgage during the assessment process
- c. Monitoring Mortgage compliance (for example, Mortgage payments and Reserves)
- d. Applying market knowledge
- e. Interacting with the Borrower
- f. Determining whether a disaster in the Property's location has caused any damage to the Property

2. Assessing Mortgage Document compliance by the Borrower

The Servicer must monitor the Borrower's compliance with the terms and conditions of the Loan Documents, including:

- a. Monitoring insurance to ensure compliance with coverage requirements
- b. Ensuring completion of all required repairs

Guide Bulletin Update 02/27/25 Chapter 43 – Page 37



- c. Ensuring compliance with other Mortgage conditions (for example, obtaining or maintaining a tax abatement or tax exemption, clearing code violations, complying with regulatory requirements, or complying with any financial covenants)
- d. Monitoring letters of credit to ensure compliance with the requirements set forth in Section 11.2

If the Borrower has failed to comply with the terms and conditions of the Loan Documents, other than monetary defaults (which are addressed in Chapter 44), the Servicer must attempt to resolve the noncompliance as authorized in the Guide and the Purchase and Servicing Documents. If the Servicer is unable to resolve the Borrower's noncompliance, the Servicer must notify Freddie Mac *Multifamily Asset Management, Surveillance* within 30 days of the Servicer's identification of the Borrower's noncompliance and provide the Servicer's recommended action or actions.

b. Risk outlook, notification and recommendation (09/28/12)

The Servicer must notify Freddie Mac *Multifamily Asset Management, Surveillance* of any change in the Servicer's risk outlook of the Mortgage within five Business Days and discuss its findings with its Freddie Mac *Multifamily Asset Management, Surveillance* representative.

The Servicer must provide its recommendations regarding its view of the loan's risk and detail any further action needed.

c. Risk Ratings and monitoring (05/31/12)

If Freddie Mac determines that the Mortgage meets its criteria for a Risk Rating greater than six, Freddie Mac will notify the Servicer that it has assigned that Mortgage a Risk Rating greater than six. With the notification, Freddie Mac will include any additional steps that the Servicer must take to monitor the risk. The Servicer must comply with all elements of the Freddie Mac request and continue to monitor the risk factors associated with the Property and the Mortgage.

d. Quarterly reporting based on Risk Rating (06/29/17)

The Servicer must report quarterly on the performance of each Property that secures a Mortgage with a Risk Rating greater than six. The Servicer must submit each report by the due date specified by Freddie Mac and must use the quarterly report format provided by Freddie Mac. The Servicer must notify Freddie Mac *Multifamily Asset Management, Surveillance* of any changes in the risk factors. See Chapter 40 for additional information on the Quarterly Financial assessment (QIE).

43.17 Mortgages paid in full (12/14/18)

a. Mortgage paid in full at maturity (04/30/15)

The Servicer is responsible for the review of a Borrower's request to pay a Mortgage in full. Before responding to any inquiry regarding the full satisfaction of a Mortgage, the Servicer must carefully review the terms of the Note to determine the full amount due.



The Servicer must notify Freddie Mac *Multifamily Loan Accounting* of the Borrower's request to pay in full any Mortgage serviced for Freddie Mac. The Servicer must submit a completed [Loan Payoff Notice](#), available via mf.freddiemac.com/lenders/reporting, (which must include the Servicer's analysis along with the Servicer's recommendation for action) and must forward the following information to Freddie Mac *Multifamily Loan Accounting* within five Business Days after receipt by the Servicer of the Borrower's request to pay in full:

1. Copy of any Consolidation, Modification and Extension Agreement (if applicable)
2. Copy of the Borrower's payoff request

b. Mortgage paid in full prior to the maturity date (05/06/05)

Additional requirements for any Mortgage being paid in full prior to the actual maturity date are located in Section 51.1.

c. Requests for Freddie Mac execution of documents (12/07/07)

The Servicer must submit to Freddie Mac *Multifamily Loan Accounting* all requests for Freddie Mac execution of documents necessary to complete the release, discharge or satisfaction of debt. The Servicer or its attorney must forward the original satisfaction documents to Freddie Mac *Multifamily Loan Accounting* for signature by Freddie Mac. For documents that require Freddie Mac execution, the Servicer must include a letter explaining:

1. The nature of the request (release of Note or execution of documents)
2. The reason for the request (maturity, full prepayment, repurchase approved by Freddie Mac, repurchase demanded by Freddie Mac or repurchase in compliance with a recourse agreement)
3. Any special endorsement to the Note required by Freddie Mac or by applicable law
4. The date applicable funds were remitted to Freddie Mac
5. The address and identity of the official of the Servicer to whom Freddie Mac should return the executed documents

d. Documentation delivered after payment-in-full (12/14/18)

After Freddie Mac receives payment in full, whether at maturity or by prepayment, Freddie Mac will return to the Servicer the original Note stamped "Paid and Cancelled". It is the Servicer's responsibility to return the original Note to the Borrower and to record or file any satisfaction documents.

43.18 Noncompliance fees (06/12/23)

Freddie Mac separately monitors Servicing reporting, accounting reporting and Delinquency reporting and separately assesses noncompliance fees. Freddie Mac will send the Servicer a written notification of each violation. Fees are due to Freddie Mac no later than the fifth Business Day after the first accounting cutoff date following the missed reporting due date. The Servicer must remit the



fee using the myOptigo® Servicer Remittance system described in Section 53.7. The cash statement for the accounting cycle in which the fee is due will reflect the fee. Freddie Mac reserves the right to change all fees and other remedies at any time and at its sole discretion.

43.19 Property management (10/17/24)

a. General property management requirements (10/17/24)

For non-SBL Mortgages, the Servicer must ensure that the property management company and proposed property management agreement comply with all requirements of the Loan Documents, and if the Loan Documents are silent, with all requirements of Section 8.13.

For SBL Mortgages, the Servicer must ensure that the property management company and proposed property management agreement comply with all requirements of the SBL Loan Documents.

For all Mortgages, with respect to each proposed property management company and/or proposed sub-management company, the Servicer must certify that it has performed the applicable searches with respect to such entity that are required under Sections 2.18, 2.23, 2.24 and 9.3, including Freddie Mac Exclusionary List, FHFA SCP List and OFAC screening, and Web Searches to identify adverse information related to Financial Crimes, litigation, negative credit events and adverse actions that may pose reputational risk.

b. When full Freddie Mac review of a property management change (including delegation to a sub-manager) is not required (10/17/24)

Freddie Mac full review of a property management change is not required if the new property management company is on the [Freddie Mac Property Management Company List](#) Freddie Mac will be deemed to have approved the change in property management, if each of the following conditions is satisfied:

1. The Servicer delivers to Freddie Mac *Multifamily Asset Management, Borrower Transactions* or, for Structured Transactions, *Multifamily Asset Management, Structured Transactions*, each of the following:
 - A summary of the new property manager's qualifications and experience
 - A [Property Management Change Certification](#), executed by the Borrower, the new property manager, and the Servicer, with no changes other than blanks filled in, required boxes checked, and signature blocks completed (a Chief Servicing Officer Certification is not required)
 - A copy of the fully-executed Management Agreement
 - A copy of the fully-executed Sub-Management Agreement (if applicable)

If any provision of the form requires revision to correctly reflect the proposed transaction, the Property Management Change Certification is inapplicable, and the Servicer must follow the review process detailed in Section 43.19(c).



- For non-SBL Mortgages, each of the following, as applicable:
 - Assignment of Management Agreement and Subordination of Fees (New Property Manager), executed by the Borrower and the new property manager
 - Assignment of Management Agreement and Sub-Management Agreement and Subordination of Management Fees and Sub-Management Fees executed by the Borrower, the new property manager and new property sub-manager
 - If the new property manager is affiliated with the Borrower, and the Borrower was required to provide a nonconsolidation opinion at the origination of the Mortgage, an updated nonconsolidation opinion
- 2. The Servicer has entered the Borrower request into the Consent Request Tracker, as required by Section 36.25. The Consent Request Tracker record should be created with the selection that Freddie Mac approval is required for Mortgages owned by Freddie Mac.

Freddie Mac will execute the Property Management Change Certification and the Assignment of Management Agreement and Subordination of Fees (New Property Manager), and will upload the fully-executed document to DMS.

c. When Freddie Mac review of a property management change (including delegation to a sub-manager) is required; review process (10/17/24)

If any of the conditions set forth in Section 43.19(b) are not satisfied, Freddie Mac must review and approve the request for a property management company change, and the provisions of Sections 43.19(c), (d) and (e) will apply.

Upon receiving a request for approval of or notice of a property management change, the Servicer must take the following actions:

- Enter the Borrower request into the Consent Request Tracker, as required by Section 36.25
- Promptly upon receipt of all applicable items listed below, electronically deliver those materials to Freddie Mac
 1. Completed [Property Management Change Request](#), including the Servicer's analysis and the Servicer's recommendation for action
 2. Copy of the Borrower's request explaining the reason for the property management change
 3. Certification from the Borrower of each of the following:
 - The management agreement does not include any terms that are not customary in the market area in which the Property is located.
 - The Mortgage is current and the Borrower is not aware of any event of default which has occurred and is continuing with respect to the loan
 - The Borrower has obtained the consent of any other party required to consent to a change of the property management company for the Property

Guide Bulletin Update 02/27/25 Chapter 43 – Page 41



4. Copy of the proposed new property management agreement
 5. Copy of the proposed Sub-Management Agreement (if applicable)
 6. Resume, brochure and/or the web address for the proposed management company
- d. **Freddie Mac's review of the property management change request (including delegation to a sub-manager) (10/17/24)**

In conducting its review of the property management change request, Freddie Mac may consider the following factors:

1. The Property's Risk Rating
 2. Whether the Mortgage is current with no continuing event of default
 3. Whether the proposed property manager is a third-party property management company with at least five years of experience managing properties similar to the subject Property in size and type and in the same market as the subject Property
 4. Whether the proposed property management company is a for-profit or a non-profit entity
 5. Whether the proposed compensation for the property management company exceeds:
 - For non-SBL Mortgages, the percentage of overall gross monthly rents provided for in the previously approved contract with the prior property management company
 - For SBL Mortgages, the greater of seven percent of the overall gross monthly rents or the percentage of overall gross monthly rents provided for in the previously approved contract with the prior property management company
 6. If the Borrower will not assign its interests under the property management agreement to Freddie Mac (such as for an SBL Mortgage), whether the contract is terminable upon not more than 30 days' notice without the necessity of establishing cause and without payment by Borrower or its successors of a penalty or termination fee
 7. The extent of any planned or started rehabilitation at the Property
 8. The extent of any Deferred Maintenance shown on the latest annual risk assessment and the Property rating
- e. **Documentation required following approved property management change (including delegation to a sub-manager) (10/17/24)**

If Freddie Mac has approved a property management change, then within the time specified in the Freddie Mac approval letter, the Servicer must electronically deliver to *Freddie Mac Multifamily Asset Management Borrower Transactions* each of the following items, as applicable:

- For non-SBL Mortgages:



- Property management agreement in the form approved by Freddie Mac
- For a change of property management company, a copy of the fully executed Assignment of Management Agreement
- For changes involving only a modification of the property management agreement (and not involving a change of property management company), an amendment to the applicable Assignment of Management Agreement replacing the form of property management attached thereto as an exhibit
- A copy of the fully executed Assignment of Management Agreement and Sub-Management Agreement and Subordination of Management Fees and Sub-Management Fees, if applicable
- An updated non-consolidation opinion (if required)
- Any other documents specified in the approval letter
- For SBL Mortgages:
 - Each of the documents specified in the approval letter
 - An Assignment of Management Agreement and Subordination of Management Fees is not required or applicable

43.20 Advance written notice to the Borrower for ARM payments (06/30/16)

The Servicer must provide the Borrower with advance written notice of each interest rate adjustment and each new monthly payment due under the Note for an ARM or an SBL Hybrid ARM. The Servicer must give each such notice in the manner specified in the Loan Documents for the giving of notices, and the Servicer must give each such notice at least 15 calendar days prior to the due date of the new monthly payment.

43.21 Third-party cap agreement (07/01/14)

a. Payments by cap provider (07/01/14)

As long as there is not an event of default, if the Borrower has paid in full the applicable monthly payment of principal and interest or interest only due under the Note, the Servicer must remit to the Borrower any payment received under a third-party interest rate cap agreement ("cap agreement") from the provider of the cap agreement ("cap provider").

b. Collection of cap agreement payments for conventional Mortgages (02/07/08)

The Servicer, on behalf of Freddie Mac, must diligently attempt to collect all payments under the cap agreement or interest rate cap guaranty at the times they are due and payable.



43.22 Subsequent cap agreements for cash Mortgages (02/28/18)

See Sections 28.12 and 28.18 for interest rate cap requirements for Bond Credit Enhancement Mortgages. See Sections 25.12 and 25.18 for interest rate cap requirements for TEL Mortgages.

a. Deposits to cap fee Reserves (02/28/18)

The Borrower must deposit ("cap fee Reserve") an amount sufficient to accumulate funds equal to 125 percent of the amount estimated by the Servicer to be sufficient to purchase, immediately prior to termination of the then-existing cap agreement, a subsequent cap agreement ("subsequent cap agreement") with (1) a term expiring on the earlier of the date that is two years after the termination of the then existing cap agreement or the maturity date of the Mortgage, (2) a notional amount equal to the outstanding principal balance due under the Note on the commencement date of the subsequent cap agreement and (3) a strike rate equal to the original strike rate.

On the Origination Date, the Servicer must calculate the initial monthly cap fee Reserve based on the purchase price of the cap agreement and inform the Borrower of that amount. The process for adjusting the monthly cap fee Reserve amount is as follows:

1. Within 30 days after the Origination Date, the Servicer must complete the information on the first page of the [Kensington Cap Escrow Adjustment Form](#) and submit the form to Kensington Capital Advisors LLC ("Kensington") at capinfo@kensington-advisors.com, together with a copy of the Rate Cap Rider from the Loan Agreement.
2. 30 days prior to the due date of each cap fee Reserve adjustment, Kensington will provide each Servicer with a list of Mortgages requiring review of the cap fee Reserves. Upon receipt of the list of Mortgages, the Servicer must provide Kensington with the anticipated unpaid principal balance at the time of cap renewal and the current cap fee Reserve balance for each of the Mortgages on the list.
3. Kensington will determine the new monthly deposit to the cap fee Reserve and return the completed Kensington Cap Escrow Adjustment Form to the Servicer.
4. The Servicer must review and sign the completed Kensington Cap Escrow Adjustment Form indicating its approval.
5. The Servicer must notify the Borrower of the amount of the new monthly deposit for the cap fee Reserve.
6. With respect to each subsequent cap fee Reserve adjustment, the Servicer must provide to Kensington not less than 15 days prior to the date on which the cap fee Reserve will be adjusted, (1) the anticipated unpaid principal balance at the time of cap renewal and (2) the then current cap fee Reserve balance.
7. Thereafter, the Servicer must review and approve all subsequent adjustments to monthly cap fee Reserve payments required under the loan agreement in the manner set forth in this section and in accordance with the terms of the Loan Documents.

Freddie Mac reserves the right, after notice to the Servicer, to require the Servicer to obtain Freddie Mac's approval for all cap deposits Reserve adjustments for a Mortgage. This

Guide Bulletin Update 02/27/25 Chapter 43 – Page 44



notification may be in the form of an email from Freddie Mac's *Multifamily Asset Management* representative.

b. Interest on cap deposits (09/25/15)

Unless applicable law requires, or the Loan Documents provide otherwise, Freddie Mac will not require the Servicer to pay the Borrower any interest, earnings or profits on the cap deposits related to Mortgages.

c. Excess cap deposits (09/25/15)

If the Borrower delivers a subsequent cap agreement and there are excess cap deposits, the Servicer must continue to hold such excess cap deposits and apply the accumulated deposits to purchase a subsequent cap agreement, unless authorized by Freddie Mac to release the funds to the Borrower. When the Borrower has paid the indebtedness in full, or has purchased a cap agreement with a termination date no earlier than the maturity date of the Mortgage, Freddie Mac will authorize the Servicer to return any cap deposits to the Borrower.

d. Terms of subsequent cap agreements (07/01/14)

Any subsequent cap agreement must have:

- A term not earlier than one year from its effective date,
- A strike rate that does not exceed the original strike rate set forth in the Loan Documents, and
- A notional amount equal to the outstanding indebtedness on the effective date of the subsequent cap agreement.

e. Cap deposits Reserve Custodial Account (09/25/15)

Unless otherwise stated in the Loan Documents, cap deposits Reserve Custodial Accounts must meet the requirements of Chapter 52.

f. Cap agreement and cap provider requirements (02/07/08)

See Section 11.3 for the requirements regarding the cap agreement and cap provider.

43.23 Property Improvement Alterations for non-SBL Mortgages (06/16/22)

For non-SBL Mortgages, in accordance with the Loan Agreement, the Borrower must notify the lender when it intends to begin Property Improvement Alterations. After receipt of the Property Improvement Alterations Notice from the Borrower, the Servicer must notify Freddie Mac of the planned Property Improvement Alterations and monitor the Borrower's compliance with the terms of the Loan Agreement.

For purposes of this Section 43.23, the term "Borrower's certificate" means either of the following:



- A certificate from the Borrower in substantially the form attached to the Loan Agreement for documenting Property Improvement Alteration matters, if applicable, or
- If no form of certificate is attached to the Loan Agreement, then a certificate from the Borrower which includes the information specified in Section 43.23(b) or 43.23(c), as applicable.

Note that the provisions of Section 43.23 do not apply to repairs, capital replacements, restoration and other work required to be performed at the Property pursuant to the terms of the Loan Documents.

a. Notifying Freddie Mac of Property Improvement Alterations (02/27/15)

Within five Business Days after receiving a Property Improvement Alterations Notice from a Borrower, the Servicer must:

- Electronically deliver to Freddie Mac [Form 1126, Acknowledgement of Property Improvement Alterations](#), along with a copy of the Property Improvement Alterations Notice received from the Borrower, and
- Provide the Borrower with a copy of [Form 1126, Acknowledgement of Property Improvement Alterations](#), submitted to Freddie Mac.

For a Mortgage that has been designated for inclusion in a Securitization, if any Property Improvement Alterations described in a Property Improvement Alterations Notice received by the Servicer have commenced but have not yet been completed, then prior to the Securitization, but no later than 15 days following a request by Freddie Mac, the Servicer must deliver to Freddie Mac a Borrower's certificate detailing the status of the Property Improvement Alterations.

b. Monitoring ongoing Property Improvement Alterations (04/30/19)

While Property Improvement Alterations are taking place, the Servicer must obtain and review the rent roll on a quarterly basis. If the rent roll shows that the occupancy of the Property has decreased to less than the Minimum Occupancy set forth in the Loan Agreement, the Servicer must:

- Inform Freddie Mac *Multifamily Asset Management, Asset Performance and Compliance* via email, and
- Obtain a Borrower's certificate which includes the following:
 - A list of all of the Property Improvement Alterations described in the Property Improvement Alterations Notice that the Borrower has commenced but not yet completed and anticipated completion dates for all such Property Improvement Alterations
 - A list of all of the Property Improvement Alterations described in the Property Improvement Alterations Notice that the Borrower has completed
 - If required by the Loan Agreement, a statement that any commenced or planned Property Improvement Alterations that would cause dwelling units to be unavailable for



rental have been suspended until the Minimum Occupancy threshold is satisfied

- Any other information required by Freddie Mac

The Servicer is responsible for monitoring any undertaken Property Improvement Alterations, including, when appropriate, employing a qualified inspector or physical engineer to inspect the Property Improvement Alterations.

c. Completion of Property Improvement Alterations (06/16/22)

When all Property Improvement Alterations described by the Property Improvement Alterations Notice have been completed, the Servicer must obtain a Borrower's certificate specifying that the completed Property Improvement Alterations were completed in a good and workmanlike manner and in compliance with all laws (including life safety laws, environmental laws, building codes, zoning ordinances and laws for the disabled).

43.24 Commercial/non-residential leases (04/18/24)

This Section 43.24 does not apply to Infrastructure Agreement Servicing Requests, as described in Section 43.32.

a. When Freddie Mac approval is required (04/18/24)

Freddie Mac approval is required for:

- Any new or modified non-residential (commercial) lease, including an extension or termination of such lease (a "Nonresidential Lease"), except (i) an Infrastructure Agreement Servicing Request for a lease satisfying the requirements under Section 43.32(b), (ii) any lease expressly permitted by the Loan Documents, or (iii) for an SBL Mortgage, a lease satisfying the requirements of Section 43.24(e)
- Any new lease related to drilling, oil or gas exploration at the Property

b. Servicer's request for Freddie Mac approval (05/05/17)

Upon receiving a request for approval of any new or modified commercial lease or oil and gas lease, the Servicer must take the following actions:

- Enter the Borrower request into the Consent Request Tracker as required by Section 36.25
- Electronically deliver to Freddie Mac the [General Servicing Request](#), and any necessary supporting documentation
- For an SBL Mortgage, the Servicer must include with the General Servicing Request a [Commercial Lease Analysis and Estoppel – SBL](#) summarizing the terms of the commercial lease; a PLIM is only required for an oil and gas lease, or if otherwise requested by Freddie Mac



c. Freddie Mac's review of lease approval request (05/05/17)

In conducting its review of the requested commercial or drilling, oil, or gas lease, Freddie Mac may consider factors including the following:

1. For a non-SBL Mortgage, whether income from the lease is less than five percent of total gross potential rent for the Property.
2. Whether approval of the lease will cause a decline in gross potential income for the Property.
3. Whether the new tenant is equal to or better in quality than the exiting tenant
4. Whether the new lease and tenant present any negative environmental impact
5. The Risk Rating of the Mortgage
6. Whether the Mortgage is in default

d. Required documentation following Freddie Mac approval (05/05/17)

Within the time specified in Freddie Mac's approval letter, the Servicer must electronically deliver to Freddie Mac the following documents:

- Copy of the signed lease agreement
- For a Non-SBL Mortgage, a copy of Lessor's Estoppel Certificate
- For an SBL Mortgage, a copy of the Commercial Lease Analysis and Estoppel – SBL, executed by the tenant
- Any additional documentation required by the approval letter

e. Non-residential leases the Servicer is permitted to approve for an SBL Mortgage (06/15/23)

During any period in which Freddie Mac owns an SBL Mortgage until the Servicer receives notification from Freddie Mac that the SBL Mortgage has been designated for inclusion in a Securitization, the Servicer may approve a non-residential lease provided that the non-residential lease satisfies each of the following requirements:

- The tenant under the non-residential lease is not an Affiliate of the Borrower or an affiliate of any Guarantor
- The terms of the non-residential lease are at least as favorable to the Borrower as those customary in the applicable market at the time the Borrower enters into the non-residential lease
- The rents paid to the Borrower pursuant to the non-residential lease are not less than 90 percent of the rents paid to the Borrower pursuant to the non-residential lease, if any, for that



portion of the Property that was in effect prior to the non-residential lease

- The term of the non-residential lease, including any option to extend, is 10 years or less
- The intended use of the space that is the subject of the non-residential lease may not allow the leased premises to be used or operated, in whole or in part, for any illegal activity or any Restricted Non-Residential Use
- The aggregate of the income derived from the space leased pursuant to the Nonresidential Lease accounts for less than 20 percent of the gross income of the Property on the date that the Borrower enters into the Nonresidential Lease

43.25 Product-specific general Servicing requirements (09/18/14)

For additional general Servicing requirements for the Freddie Mac Multifamily Seniors Housing Product, see Section 21.19.

For additional general Servicing requirements for Multifamily Housing Bond Credit Enhancements, see Sections 28.8, 28.9, 28.12 and 28.18.

43.26 Radon and what to report to Freddie Mac (09/14/23)

A Property secured by an SBL Mortgage is not required to be tested for the presence of radon.

For a Property securing a non-SBL Mortgage, the following table lists the appropriate and timely steps required to notify Freddie Mac for any follow-up radon testing described in Section 61.14.

The Servicer must follow this protocol. The Borrower's certificate is not sufficient evidence to satisfy radon requirements set forth in the loan documents.

The Seller/Servicer's engagement with the environmental consultant for an environmental report that is entered into after September 14, 2023 must require the environmental consultant to report certain radon data elements to the designated data collection website provided to the Seller/Servicer by Freddie Mac. For an environmental consultant who needs access to the website, the Seller/Servicer must reach out to MF_PhysicalRisk@freddiemac.com to obtain access. Instructions for the environmental consultant on submitting the required data elements are available on such website.

Radon Follow-Up Test Results - Environmental Consultant Determination	Required Action
If the environmental consultant determines based on the follow-up test results that no further action is necessary	Servicer must upload the follow-up test results to PRS, naming the file as Radon Test Results Follow-Up, by the Completion Date for Follow-Up Radon Testing (as defined in the Loan Documents).



<p>If the environmental consultant determines based on the follow-up test results that remediation is necessary</p>	<p>Remediation will be required along with the following steps:</p> <p>Step 1. Servicer uploads test results to PRS, naming the file as Radon Test Results Follow-Up, by the Completion Date for Follow-Up Radon Testing.</p> <p>Step 2. Servicer must provide Borrower with a Radon Remediation Notice (as defined in the Loan Documents) within two Business Days.</p> <p>Step 3. Servicer must upload copy of the Radon Remediation Notice to PRS, naming the file as Radon Remediation Notice.</p> <p>Note: Borrower will have 30 days after the date of the Radon Remediation Notice to provide Servicer with a signed, binding fixed price radon remediation contract with a qualified service provider. Borrower will have 90 days to complete remediation after the date of the Radon Remediation Notice.</p> <p>Step 4. After completion of radon remediation, Servicer must upload to PRS written certification from a qualified environmental consultant stating the remediation methods that were used, that remediation has been satisfactorily completed, that post-remediation testing has been conducted and that the units with completed radon remediation now demonstrate radon levels below 4 pCi/L. Servicer must name the file as Post-Mitigation Test Results.</p>
---	--

43.27 Delivery of written notice of incomplete application or confirmation of withdrawn application (11/30/12)

If an application for a modification to the Mortgage that would result in a change in the collateral or a change in a Borrower Principal or Guarantor, or any other credit extension is incomplete, the Servicer must provide the Borrower with a written request on behalf of Freddie Mac for any missing items in compliance with the Equal Credit Opportunity Act.

If the Borrower withdraws the application either orally or in writing, the Servicer must send on behalf of Freddie Mac written confirmation to the Borrower (letter or email) confirming the Borrower's withdrawal of the application for a modification. The Servicer must maintain a copy of the Borrower's written notice of withdrawal or its confirmation of the oral withdrawal.

The Servicer must maintain a record of all written notices sent on behalf of Freddie Mac and maintain copies of each such notice in the Mortgage file in accordance with the requirements of Chapter 34.

43.28 Office of Foreign Assets Control (OFAC) screening (02/18/21)

The Servicer must periodically and at least annually screen Borrowers, Borrower Principals, Guarantors and Non-U.S. Equity Holders related to Mortgages that the Servicer services for Freddie Mac against the most current OFAC Specially Designated Nationals and Blocked Persons ("SDN") List and the OFAC Consolidated Sanctions List. The frequency of such screening must be based on

Guide Bulletin Update 02/27/25 Chapter 43 – Page 50



the Servicer's OFAC compliance program and be commensurate with the Servicer's OFAC risk analysis.

In addition to the periodic screenings required above, upon receipt of any Borrower request for lender consent to a transaction, the Servicer must screen Borrowers, Borrower Principals, Guarantors and any Non-U.S. Equity Holders against the most current OFAC SDN List and OFAC Consolidated Sanctions List prior to approving, or requesting approval from Freddie Mac for, such Servicing-related transaction.

A Servicer that identifies a valid match against the OFAC SDN List or Consolidated Sanctions List must notify Freddie Mac via an email to the *Investigation Unit* within 24 hours of a valid Borrower, Borrower Principal or Non-U.S. Equity Holder OFAC SDN List or Consolidated Sanctions List match. Such email notification must also provide the following information:

- Freddie Mac loan number
- Borrower, Borrower Principal, Guarantor and any Non-U.S. Equity Holder identifying information
- Name, title, email address, and telephone number for the point of contact at the Servicer who will be able to discuss the OFAC SDN List or Consolidated Sanctions List match

If a Servicer identifies a valid match in a screening conducted in connection with a Borrower request for lender consent to a transaction, then in addition to following the procedure to notify Freddie Mac set forth above, the Servicer must not approve, or request approval from Freddie Mac for, such transaction until it receives further instruction from Freddie Mac.

Upon receipt of the email notification, a representative from Freddie Mac will contact the Servicer to discuss the OFAC match and any potential next steps. Freddie Mac may also require the Servicer to provide documentation or additional information regarding the OFAC match.

Notifying Freddie Mac of a confirmed match against the OFAC SDN List or Consolidated Sanctions List does not absolve the Servicer from its responsibility to file any reports with OFAC, as required by OFAC Regulations.

43.29 Subordinate Financing for non-SBL Mortgages (04/18/24)

a. Conditions for Freddie Mac approval of Subordinate Financing for a non-SBL Mortgage (06/30/16)

For any Mortgage purchased for Securitization, Freddie Mac does not permit Subordinate Financing other than Subordinate Financing pursuant to the Freddie Mac Multifamily Supplemental Mortgage Product.

For any other Mortgage, Freddie Mac may, in its sole discretion, consider allowing Subordinate Financing if Freddie Mac determines that the Property would benefit from the Subordinate Financing. If the Loan Documents either require the noteholder's consent to place any Subordinate Financing on the Property or prohibit Subordinate Financing (but Freddie Mac has agreed to consider the Borrower's request), then the Servicer must electronically deliver to Freddie Mac a written request and recommendation for such modification using the [General Servicing Request](#), attaching documentation addressing each item required in Section 43.29(b).



Freddie Mac may reject a request for Subordinate Financing at its discretion. Freddie Mac will consider consenting to Subordinate Financing only if the request meets the following conditions (However, the fact that the Subordinate Financing meets these requirements does not mean that Freddie Mac is obligated to consider or approve the Subordinate Financing.):

1. The subordinate lender must enter into the standard Freddie Mac Subordination Agreement, which provides, among other things, that the subordinate lender will:
 - Provide notice of default to Freddie Mac,
 - Give Freddie Mac the right (but not the obligation) to cure defaults, and
 - Not exercise its remedies under the Subordination Agreement for the period specified in the Subordination Agreement after notice to Freddie Mac in which it sets forth the specific remedy that the subordinate lender intends to exercise.
2. The Subordination Agreement must be recorded in the land records of the jurisdiction in which the Property is located.
3. The combined debt may not result in a Loan-to-Value (LTV) Ratio that exceeds 85 percent and the combined debt service may not result in a Debt Coverage Ratio (DCR) that is below 1.20x.
4. The Subordinate Financing must be based on a fixed interest rate for the entire term or an adjustable interest rate with a rate cap for the entire term.
5. If the Subordinate Financing is not fully amortizing, the maturity of the Subordinate Financing must be at least equal to the maturity of the Freddie Mac Mortgage.
6. The Servicer must perform a refinance test acceptable to Freddie Mac on the combined debt.
7. All tax and insurance Reserves must be in place, or the Borrower must agree to establish such Reserves.
8. The Servicer must analyze any Replacement Reserve based on the current condition of the Property. If the Property is not being properly maintained, Freddie Mac will reject the Subordinate Financing request unless at least one of the following conditions is met:
 - The Borrower's monthly Replacement Reserve deposit is increased to a sufficient level to adequately maintain the Property, or
 - A Replacement Reserve is established with ongoing funding requirements, and/or
 - The Borrower makes identified repairs prior to incurring the Subordinate Financing.
9. The Subordinate Financing must not provide for recourse against the Borrower or a third-party guarantee by a Borrower Principal.



10. The Borrower must be a single asset entity. If the Loan Documents for the Freddie Mac Mortgage do not require the Borrower to be a single asset entity, then Freddie Mac will require the Borrower to amend the Loan Documents to include such a requirement.
11. The Property must have an acceptable operating history and the Borrower must have an acceptable Mortgage payment history during the period the Borrower has owned the Property. No event of monetary or nonmonetary default may have occurred during the term of the Mortgage.
12. The Servicer's counsel must have provided a preliminary legal issues memorandum meeting the requirements of Section 6.4.

b. Information required with a request for Freddie Mac approval of Subordinate Financing (04/13/23)

If a Borrower requests Freddie Mac's approval of Subordinate Financing, the Servicer's package must include:

1. A nonrefundable review/processing fee in the amount specified in the Loan Documents, or, if no amount is specified, in the amount set forth in [Exhibit 10](#) (The Servicer may retain 50 percent of the review/processing fee and must remit the remaining 50 percent to Freddie Mac when submitting the application for the Subordinate Financing. The Servicer must remit the fee by wire transfer and obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions* or Freddie Mac *Multifamily Asset Management, Structured Transactions*, as applicable. The Servicer must send the wire transfer to the attention of *Multifamily Cash Management*. The wire transfer must reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number. The Servicer may not charge the Borrower any additional fees for processing a request for Subordinate Financing.)
2. The Servicer's charge to the Borrower of a nonrefundable counsel fee of \$500 (The counsel fee is for the legal fees, expenses and costs of Freddie Mac's legal counsel, including its in-house counsel, and may exceed \$500 for complex transactions. Freddie Mac will collect the remainder of the fee, if applicable, after Freddie Mac issues the approval letter, and the Servicer must remit its payment by wire transfer. The Servicer must obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions* or Freddie Mac *Multifamily Asset Management, Structured Transactions*, as applicable. The Servicer must send the wire transfer to the attention of *Multifamily Cash Management*. The wire transfer must reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number.)
3. A copy of a completed General Servicing Request. The Request must include the Servicer's analysis of the Subordinate Financing along with the Servicer's recommendation for action.
4. A copy of the signed commitment from the proposed subordinate lender, containing the Subordinate Financing amount, interest rate (including the factors relating to a floating rate), term to maturity and anticipated amount of annual debt service
5. Copies of the proposed Subordinate Financing loan documents that have been completed with the applicable loan amount, interest rate, payment schedules and all other transaction-



related information (All Subordinate Financing loan documents must be approved by Freddie Mac prior to execution.)

6. Payment histories for any existing Subordinate Financing on the Property, including the amount of annual debt service
7. A description of the proposed use of the Subordinate Financing proceeds
8. Information about the proposed subordinate lender and its financial strength
9. A Freddie Mac Annual Inspection Form (AIF) dated within 180 days. (If the most recent AIF was not conducted within the previous 180 days, the Servicer must complete and submit an AIF.) The AIF can be found at <https://mf.freddiemac.com/lenders/asset/> under PRS Assessment.
10. An assessment by the Servicer of the Property condition, whether the funds held in the Replacement Reserve are adequate, and whether an increase in Replacement Reserve deposits and/or establishment of a Repair Reserve is required, based on the condition of the Property
11. Current credit report on any Borrower or Guarantor that is an individual. Credit reports must comply with the requirements set forth in Chapter 55.
12. Financial statements for the Borrower and each Key Borrower Principal. Financial statements must comply with the requirements set forth in Chapter 55.
13. Current property financial statements meeting the requirements set forth in Chapter 55, along with Servicer's DCR and LTV analysis
14. Current rent roll meeting the requirements set forth in Chapter 55
15. Title update report dated no earlier than 45 days before the date of the Subordinate Financing request
16. For all transactions in which the Borrower is a Cooperative (Co-op), an analysis of the potential impact of Subordinate Financing on the cash flow associated with any non-owner-occupied units (The Servicer must also analyze increased maintenance fees to owner-occupied units.)

c. Freddie Mac approval (04/30/19)

Freddie Mac will determine whether to approve the proposed Subordinate Financing and will advise the Servicer, in writing, of that decision. The approval letter will set forth any further requirements and will notify the Servicer if any additional counsel fee is due. The Servicer must remit any additional counsel fee by wire transfer at the same time the Servicer executes and returns the approval letter to Freddie Mac to evidence its acceptance of the terms. The Servicer must obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions or Structured Transactions* as applicable. The Servicer must send the wire transfer to the attention of *Multifamily Cash Management*. The wire transfer must reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number.



If Freddie Mac approves the Subordinate Financing, the Servicer must deliver any document that must be signed by Freddie Mac, including the Subordination Agreement, in accordance with the approval letter issued by Freddie Mac.

d. Documents required after settlement of Subordinate Financing (04/18/24)

Within the time specified in the Freddie Mac approval letter, the Servicer must electronically deliver to Freddie Mac a copy, a certified copy or an original (as noted) of the following executed Subordinate Financing documents listed below.

If the provisions of this subsection require delivery of a certified copy of a filed or recorded document, the copy must show the recorder's stamp, book and page numbers or instrument numbers. If recorder or clerk delays make it impossible to effect timely delivery of a copy showing the required information, the Servicer may provide a copy that the Title Company or closing attorney has certified as a "true and correct copy of the recorded/filed original." The Servicer must then deliver to Freddie Mac a copy of the recorded/filed original showing the required information as soon as the copy becomes available.

1. Recorded Subordination Agreement (certified copy)
2. Subordinate note (copy)
3. Recorded Subordinate Financing security instrument (certified copy)
4. Any third-party guaranties executed in connection with the Subordinate Financing (copy)
5. Recorded or filed subordinate UCC financing statements (certified copy)
6. Settlement statement (copy)
7. Any new Replacement Reserve Agreement or Repair Reserve Agreement (original)
8. Modifications to any existing Freddie Mac Loan Documents, if required (original of any unrecorded modifications and certified copies of any recorded modifications)
9. A satisfactory endorsement to the title insurance policy covering the Freddie Mac Mortgage, effective as of the date of recordation of the security instrument for the Subordinate Financing, that insures that the lien of the Freddie Mac Mortgage is superior to the lien of the Subordinate Financing (The endorsement must also reflect the recordation of the security instrument for the Subordinate Financing and the Subordination Agreement.)

e. Warranties (09/28/18)

When a Servicer delivers the final Subordinate Financing documentation, the Servicer will be deemed to have made the warranties in Section 5.2, 5.4 and 5.5 as of the date of delivery to Freddie Mac of the documentation for the Subordinate Financing.

f. Unauthorized Subordinate Financing (08/30/13)

The Servicer must carry out Freddie Mac's instructions in dealing with proposed Subordinate Financing and must be alert to the unauthorized placement of Subordinate Financing on the



Property. If the Servicer learns that unauthorized Subordinate Financing has been, or is about to be, placed on the Property, it must immediately notify Freddie Mac in writing.

43.30 Subordinate Financing for SBL Mortgages (04/18/24)

a. Conditions for Freddie Mac approval of Subordinate Financing for an SBL Mortgage (06/30/16)

For any SBL Mortgage securitized in an SBL Securitization, Subordinate Financing is permitted provided that each of the following conditions set forth below is met:

1. The subordinate lender is a Freddie Mac-approved Seller/Servicer at the time of origination of the Subordinate Financing.
2. The subordinate lender has not accepted applications from the Borrower for Subordinate Financing until after the settlement of the SBL Securitization that includes the SBL Mortgage.
3. If the Directing Certificateholder of the applicable SBL Securitization has the right to consent to the Subordinate Financing, the Directing Certificateholder has provided such consent within the time periods and under the conditions specified in the applicable Pooling and Servicing Agreement.
4. The Borrower pays all fees and other expenses of the Servicer of the SBL Mortgage required by such Servicer in connection with the Subordinate Financing.
5. The SBL Mortgage is not in default and is in good standing with satisfactory payment history.
6. The SBL Mortgage has three years or more remaining in its loan term.
7. The Subordinate Financing is not less than \$750,000.
8. The Subordinate Financing has a loan term equal to or longer than the remaining loan term of the SBL Mortgage but cannot exceed 30 years.
9. The start of any open or par period for the Subordinate Financing begins on or after the date of any open or par period for the SBL Mortgage.
10. The combined loan amount after the making of the Subordinate Financing does not result in a Loan-to-Value (LTV) Ratio that exceeds 80 percent and the combined debt service after the making of the Subordinate Financing does not result in a Debt Coverage Ratio (DCR) that is below 1.25x, using the following to calculate the LTV and DCR:
 - The combined loan amount used to calculate the LTV must be the aggregate outstanding principal balances of all of the following:
 - The SBL Mortgage
 - Any other previously originated subordinate financing



- The proposed loan amount of the Subordinate Financing
 - The value used to calculate the LTV is the value for the Property determined by using the as-is market value conclusion for the Property set forth in a third party current Appraisal that meets the requirements of Section 60.12.
 - When calculating the DCR and determining whether the DCR requirement has been met, the combined debt service must be the aggregate of the annual principal and interest payable on all of the following:
 - The SBL Mortgage
 - Any other previously originated subordinate financing
 - The proposed loan amount of the Subordinate Financing
 - Amortization Period: An interest only debt service calculation can only be used if the applicable loan term is full term interest only. In the case of partial interest only, the applicable amortization debt service is used even if the Mortgage is in an interest only period. For a fully amortizing Mortgage, the applicable amortization debt service must be used.
 - Interest Rate: For any Mortgage that has a fixed interest rate for its entire loan term, the debt service is calculated using the fixed interest rate then in effect. For any Mortgage that has an adjustable interest rate for any portion of its loan term and has entered into an adjustable interest rate period, debt service is calculated using the interest rate then in effect plus 100 basis points.
 - Net Operating Income (NOI) for DCR Calculation

The NOI is calculated using the year one pro forma net operating income at the Property using the direct capitalization approach concluded in a third party current Appraisal that meets the requirements of Section 60.12.
11. If the Borrower is required to be an SPE under the terms of the SBL Mortgage, then the Borrower's organizational documents have been amended to permit the Borrower to incur additional debt in the form of the Subordinate Financing.
 12. The Subordinate Financing loan documents contain a cross-default provision requiring a default under the SBL Mortgage to constitute an event of default under the Subordinate Financing.
 13. The Subordinate Financing does not provide for recourse against the Borrower or the Guarantor.
 14. The subordinate lender has entered into Freddie Mac's Intercreditor Agreement.
 15. The Intercreditor Agreement will be recorded in the land records of the jurisdiction in which the Property is located.



16. If the subordinate lender requires the Borrower to fund Reserves for taxes, insurance premiums or ground rents under the Subordinate Financing, the Servicer of the SBL Mortgage may require the collection of any such Reserves that are currently deferred under the SBL Mortgage. The collection of such Reserves under the SBL Mortgage will commence on the date that the Subordinate Financing is originated and continue for so long as the Subordinate Financing is outstanding.

If all of the conditions above are met, a subordinate lender may place one or more Subordinate Financings against the Property.

The requirements of this Section 43.30 are not to be construed to require the Servicer of the SBL Mortgage to agree to any changes to the SBL Mortgage other than to permit the Subordinate Financing to be placed against the Property and to meet the requirements of Section 43.30(a)(12).

b. Information required with a request for Subordinate Financing (06/30/16)

If a Borrower requests Subordinate Financing, the subordinate lender's package to the Servicer must include at a minimum:

1. A copy of the signed commitment from the proposed subordinate lender, containing the Subordinate Financing amount, interest rate (including the factors relating to a floating rate), term to maturity and amount of annual debt service.
2. A certification to the Servicer of the SBL Mortgage that the combined LTV/DCR requirements set forth in Section 43.30(a) have been satisfied.
3. Copies of the proposed Subordinate Financing loan documents that have been completed with the applicable loan amount, interest rate, payment schedules and all other transaction-related information.
4. The Intercreditor Agreement required by Section 43.30(a) executed by the subordinate lender.

c. Approval of the Subordinate Financing (06/30/16)

The Servicer of the SBL Mortgage must verify that the requirements of Section 43.30(a) have been met, then countersign the Intercreditor Agreement and return it to the subordinate lender within five days of such verification.

d. Documents required after settlement of Subordinate Financing (04/18/24)

The subordinate lender must electronically deliver to the Servicer of the SBL Mortgage a copy, a certified copy or an original (as noted) of the executed Subordinate Financing documents listed below.

If the provisions of this subsection require delivery of a certified copy of a filed or recorded document, the copy must show the recorder's stamp, book and page numbers or instrument numbers. If recorder or clerk delays make it impossible to effect timely delivery of a copy showing the required information, the subordinate lender may provide a copy that the Title Company or closing attorney has certified as a "true and correct copy of the recorded/filed



original". The subordinate lender must then deliver to the servicer of the SBL Mortgage a copy of the recorded/filed original showing the required information as soon as the copy becomes available.

1. Recorded Intercreditor Agreement (certified copy)
2. Subordinate Financing note (copy)
3. Recorded Subordinate Financing security instrument (certified copy)
4. Loan Agreement, if applicable (copy)
5. Any third-party guaranties executed in connection with the Subordinate Financing (copy)
6. Recorded or filed subordinate UCC financing statements (certified copy)
7. Settlement statement (copy)
8. Any new replacement reserve agreement or repair reserve agreement (copy)
9. Modifications to any existing SBL Mortgage Loan Documents, if required (original of any unrecorded modifications and certified copies of any recorded modifications)
10. A satisfactory endorsement to the title insurance policy covering the SBL Mortgage, effective as of the date of recordation of the security instrument for the Subordinate Financing, that insures that the lien of the SBL Mortgage is superior to the lien of the Subordinate Financing (The endorsement must also reflect the recordation of the security instrument for the Subordinate Financing and the Intercreditor Agreement.)
11. A copy of third party Appraisal
12. Copies of environmental analysis, if applicable

e. Unauthorized Subordinate Financing (06/30/16)

The Servicer of the SBL Mortgage must be alert to the unauthorized placement of Subordinate Financing on the Property. If the Servicer of the SBL Mortgage learns that unauthorized Subordinate Financing has been, or is about to be, placed on the Property, it must immediately notify Freddie Mac in writing.

43.31 General Servicing requirements for Credit Facilities (revolving lines of credit) (06/29/17)

NOTE: This section is not applicable to a Credit Facility with a Servicing Agreement.

If there is a conflict in terms between the Guide and the applicable Credit Agreement, then the terms used in the Credit Agreement will govern. Whenever used in this Section 43.31, the following words and phrases will have the meanings found in Section 43.31(a), below, unless the context requires otherwise.



a. Defined terms (06/29/17)

1. **Accounting Cutoff Date.** The Accounting Cutoff Date is defined in Section 50.8.
2. **Borrower.** Individually or collectively, as the context may require, each person or entity identified as “Borrower” in any Credit Agreement.
3. **Credit Agreement.** Individually or collectively, the applicable Credit Agreement or Credit Agreements, which has/have been assigned to Freddie Mac, and/or any subsequent Credit Agreement entered into by an affiliate of the Sponsor (as defined in the Credit Agreement) and Freddie Mac (or the Servicer, to be assigned to Freddie Mac). Parties to the Credit Agreement include the Borrower and the Servicer (as “Lender”).
4. **Credit Facility.** A revolving credit loan in a specified amount issued to the Borrower by a Servicer (as “Lender”) pursuant to the Credit Agreement.
5. **Credit Facility Documents.** The Loan Documents, as defined in the Credit Agreement, and all other documents evidencing, securing, perfecting and governing, whether delivered now or in the future, in connection with the Credit Facility, all of which have been assigned to Freddie Mac.
6. **Mortgaged Property.** Individually or collectively, as the context may require, the land, improvements and fixtures defined in the Credit Agreement as the Collateral Pool Property.
7. **Seller.** Servicer, in its capacity as Seller under the Commitment.
8. **Servicing Spread.** The fee set forth in the Commitment, calculated monthly on the aggregate principal balance of the Credit Facility outstanding during the previous month.

b. Undertaking to Service (06/29/17)

The Servicer will service the Credit Facility and the Credit Facility Documents in accordance with the Guide. Except as set forth in Sections 43.31(c)-(q), all references in the Guide to “Mortgage” or “Mortgages” will include the Credit Facility and all references in the Guide to “Loan Documents” will mean the Credit Facility Documents.

c. Additional collateral (06/29/17)

If any Borrower or any Proposed Borrower proposes to add additional Mortgaged Property to the Collateral Pool, then the Servicer must provide Freddie Mac with all applicable fees and materials required under the Addition of a Collateral Pool Property section of the Credit Agreement, and all documents and reports required to underwrite such additional collateral pursuant to Chapter 17.

No such addition of collateral will be effective unless and until Freddie Mac has reviewed, approved and executed the final forms of all documents to be delivered in connection with any such addition. The Servicer must collect from the Borrower all costs and expenses of Freddie Mac in connection with the addition of any such collateral, and remit those funds to Freddie Mac.

Upon delivery of the documents and fees to Freddie Mac as required under the Credit Agreement, the Servicer will have been deemed to have made to Freddie Mac all of the



representations and warranties required under the Guide pertaining to a newly originated Mortgage as if the Servicer were assigning such documents to Freddie Mac pursuant to a sale of a Mortgage under the Guide, as modified by the terms of the Credit Agreement.

d. Release (06/29/17)

If a Borrower requests a release of a Collateral Pool Property that it is entitled to have released pursuant to the Release of a Collateral Pool Property section of the Credit Agreement, then the Servicer must provide Freddie Mac with a certification (“Servicer’s Release Certification”) at least five Business Days prior to the date on which Freddie Mac is required to effect the release, confirming each of the following to the best of the Servicer’s knowledge:

1. At the time of the request for such release, no Event of Default or Potential Default exists under the Credit Facility,
2. After giving effect to such release, no Event of Default or Potential Default exists, and
3. The Borrower is in compliance with the Sublimits.

If the Borrower will not be in compliance with the Sublimits absent a prepayment of the Loan, a release of a Collateral Pool Property or an addition of collateral prior to or simultaneously with the proposed release, then the Servicer’s Release Certification must:

1. Set forth the method by which the Borrower will cause itself to be in compliance with the Sublimits, and
2. Be supplemented prior to such release with a separate certification of the Servicer that the Borrower has taken all necessary action to cause itself to be in compliance with the Sublimits subsequent to the release.

Within five Business Days after any Borrower’s request for a release of a Collateral Pool Property, the Servicer must provide notice of such request to Freddie Mac. If Freddie Mac approves the Borrower’s request, then the Servicer must provide a “payoff letter” to the Borrower with respect to the to-be-released Collateral Pool Property pursuant to the terms of the Credit Agreement. In connection with the release of a Collateral Pool Property, the Servicer must collect from the Borrower all amounts and reasonable fees and expenses of Freddie Mac in connection with the release and deliver Freddie Mac’s portion of such amounts, fees and expenses to Freddie Mac.

e. Release of a Collateral Pool Property followed by a Securitized Loan (06/29/17)

If the Borrower requests a release of Lender’s lien on a Collateral Pool Property and a conversion to a Securitized Loan pursuant to the Credit Agreement, then the Servicer must deliver to Freddie Mac each of the following within five Business Days following the Servicer’s receipt of such fees and documents:

1. A copy of the Borrower’s request
2. Any fees required to be paid by the Borrower under the Credit Agreement or the Guide



3. The appropriate underwriting package and completed application required under the Guide
4. All the documents and reports required to underwrite each Collateral Pool Property proposed by the Borrower to be subject to the Securitized Loan, pursuant to Chapter 17 of the Guide (defined in the Credit Agreement as the “Underwriting Materials”)

Freddie Mac will only release the lien of the Security Instrument with respect to the Collateral Pool Property in connection with a conversion upon the receipt of the Servicer’s Release Certification required under above Section 43.31(c). For such a conversion to a Securitized Loan, the Servicer may collect from the Borrower and retain all fees and expenses set forth in the Credit Agreement.

f. Annual Property valuations (06/29/17)

Pursuant to the Valuations section of the Credit Agreement, the Servicer must, within 30 days after its receipt of the rent rolls and operating statements for the Mortgaged Properties, provide to Freddie Mac all assessments for each of the Mortgaged Properties. Freddie Mac will perform the valuation for each Collateral Pool Property, and will provide the Servicer with written notice of the results of the Valuation. If the Valuation for the Collateral Pool Properties discloses that the Market Value or Net Operating Income of any Collateral Pool Property has decreased below the previously established Market Value or Net Operating Income of such Mortgaged Property, and such reduction will cause the Borrower to be in non-compliance with the Sublimits set forth in the Credit Agreement, then within one Business Day after receipt of the Valuation from Freddie Mac, the Servicer must notify the Borrower to cure such non-compliance pursuant to the Credit Agreement.

g. Annual Borrower and Guarantor evaluation (06/29/17)

Annually, as prescribed in the Credit Agreement, the Servicer must notify the Borrower to deliver the items set forth in the Credit Agreement. The Servicer must deliver all such items to Freddie Mac within 30 days following receipt from the Borrower.

h. Material Adverse Change to Borrower or Mortgaged Property (06/29/17)

If the Servicer receives notification from any Borrower or Freddie Mac of a Material Adverse Change affecting a Collateral Pool Property, then the Servicer must deliver to Freddie Mac a current rent roll (dated no more than 30 days prior to delivery to Freddie Mac) and a trailing 12-month operating statement for each of the Collateral Pool Properties. Following receipt of the required financial information, Freddie Mac will conduct a Valuation in accordance with the valuation requirements set forth in the Credit Agreement. If the Valuation discloses that the Market Value or Net Operating Income of the Mortgaged Property has decreased so that the Borrower fails to comply with the Sublimits of the Credit Agreement, then, within one Business Day, the Servicer must notify the Borrower to cure such non-compliance pursuant to the Credit Agreement.

If the Servicer receives notification from the Borrower or Freddie Mac or otherwise becomes aware of a Material Adverse Change affecting the Borrower or any Guarantor, then the Servicer must promptly notify Freddie Mac and must (i) collect and deliver to Freddie Mac all documents required to be provided pursuant to the Credit Agreement and (ii) in the instance of a Material Adverse Change affecting the enforceability of any Credit Agreement or any other Credit Facility Documents, collect and/or prepare, as may be appropriate, all appropriate replacement



documents and opinions required pursuant to the Credit Agreement, each in form and substance acceptable to Freddie Mac, naming Freddie Mac as lender and executed by all appropriate parties.

i. Debt Service Coverage Ratio (06/29/17)

The Servicer must determine and re-determine the Property/Facility DSCR when required under the Credit Agreement and change the Margin as necessary in accordance with the terms of the Credit Agreement, if applicable. If the Property/Facility DSCR determination results in a ratio below the Sublimit requirement, then the Servicer must collect from the Borrower and remit to Freddie Mac any additional payment obligations set forth in the Non-Compliance with Sublimits section of the Credit Agreement.

j. Loan to Value Ratio (06/29/17)

The Servicer must determine and re-determine the Property/Facility LTV Ratio when required under the terms of the Credit Agreement. If the Property/Facility LTV Ratio determinations result in a ratio above the Sublimit requirement, then the Servicer must collect from the Borrower and remit to Freddie Mac any additional payment obligations set forth in the Non-Compliance with Sublimits section of the Credit Agreement.

k. Transfers (06/29/17)

If the Borrower requests lender's consent to a Transfer, as defined in the Loan Documents, and Freddie Mac approves the Transfer, then the Servicer must collect from the Borrower and remit to Freddie Mac each of the following:

1. A Transfer Processing Fee in the amount set forth in the Loan Documents
2. The amount of Freddie Mac's out-of-pocket costs and attorney's fees incurred in reviewing the Transfer request
3. Any Transfer Fee prescribed in the Loan Documents

l. Monitoring of Borrower Covenants (06/29/17)

The Servicer must monitor each Borrower's obligations set forth in the Covenants section of the Credit Agreement, collect and review any required documentation, and immediately report to Freddie Mac any violations of those Covenants.

m. Expansions (06/29/17)

If the Borrower elects to increase the amount of the Loan pursuant to the terms of the Credit Agreement, then the Servicer must do each of the following:

1. Collect from the Borrower the Expansion Fee in the amount set forth in the Credit Agreement,
2. Retain the portion of the Expansion Fee due to the Servicer and remit to Freddie Mac the portion of the Expansion Fee due to Freddie Mac under the terms of the Credit Agreement,



3. Collect from the Borrower and remit to Freddie Mac the amount of Freddie Mac's costs and expenses (including attorney's fees) incurred in connection with such increase, and
4. Collect and review any required documentation evidencing the increase.

n. Contractions (06/29/17)

If the Borrower elects to contract the Loan pursuant to the Credit Agreement, then the Servicer must (i) collect from the Borrower and remit to Freddie Mac the amount of Freddie Mac's costs and expenses (including attorney's fees) incurred in connection with such contraction, and (ii) collect and review any required documentation evidencing such contraction.

o. Commitment fees (06/29/17)

The Servicer will be entitled to retain its portion of each of the Addition Fees and the Expansion Fees as set forth in the Credit Agreement.

p. Servicing requests (06/29/17)

For all Servicing-related Borrower requests, including Releases, Transfers, Expansions and Contractions, the Servicer must electronically deliver to Freddie Mac a written request for Freddie Mac's approval, using the [General Servicing Request Form](#) available via mf.freddiemac.com/lenders/asset, attaching all applicable supporting documentation.

q. Credit Agreements (06/29/17)

The Servicer must perform all other obligations required to be performed by the Servicer under the Credit Agreements and the Credit Facility Documents.

43.32 Infrastructure Agreement Servicing Requests (04/18/24)

This section applies only to Borrower consent requests with respect to Infrastructure Agreements, as defined in Section 8.22, and Solar Agreements, as defined in Section 8.21 ("Infrastructure Agreement Servicing Requests"), which may be comprised of any combination of the following:

- Leases or licenses
- Any other possessory interest in or right to occupy or control the Property
- Any option to purchase the Property or an interest in the Property
- Easements, restrictive covenants or other encumbrances
- Other covenants, conditions, restrictions, rights, profits or interests running with the land and binding upon subsequent transferees of the Property

a. Permitted Infrastructure Agreements not requiring consent (04/18/24)

Infrastructure Agreements only involving licenses, personal agreements or other interests binding solely on the parties (and non-binding upon future transferees of the Property) do not fall



within the meaning of Infrastructure Agreement Servicing Requests and are permitted without Freddie Mac or Servicer approval (“Permitted Infrastructure Agreements”). For example, a marketing support agreement or revocable license agreement that is a personal agreement between the Borrower and the service provider and that does not bind a subsequent transferee of the Property will not require Freddie Mac consent even if the definition of “Lease” in the Loan Agreement includes “any license.”

The Servicer must determine, in consultation with its counsel, as appropriate, whether the proposed instrument will require (Freddie Mac and/or Servicer) consent because it falls within the meaning of an Infrastructure Agreement Servicing Request, but a PLIM is not necessarily required for this preliminary determination. For example, an agreement captioned as a “license” (for which consent is not typically required) may also contain other legal terms that instead render the instrument a covenant or easement that will attach to the Property and bind subsequent owners (for which Freddie Mac and/or Servicer consent is always required). Examples include “license agreements” that (i) include express granting language, (ii) include language indicating that the instrument “runs with the land” or (iii) require substantial investment by licensee in reliance on the license.

Without preparing a PLIM, Servicer’s counsel may review the document and send an email to Servicer (with a copy to Freddie Mac at the mailbox specified below) confirming that the proposed Infrastructure Agreement constitutes a Permitted Infrastructure Agreement under this Section 43.32 (“Permitted Infrastructure Agreement Determination”). Upon receipt (and electronic delivery to Freddie Mac at the mailbox specified below) by Servicer of a Permitted Infrastructure Agreement Determination, no further action is required:

- For structured transactions, Tax Exempt Bond Credit Enhancement Mortgages, acquisition rehabilitation/lease-up/moderate rehabilitation loan products, Targeted Affordable Housing Mortgages or credit facilities, to mf_structured_transactions@freddiemac.com
- For all other Mortgages, to mf_borrower_transactions@freddiemac.com

b. Infrastructure Agreement Servicing Requests the Servicer is permitted to approve (04/18/24)

During any period in which Freddie Mac owns the Mortgage, the Servicer may approve an Infrastructure Agreement Servicing Request only if the proposed Infrastructure Agreement meets each of the following requirements:

- It satisfies all applicable Loan Document requirements relating to the approval of easements, non-residential leases and other encumbrances
- It will not be recorded against the Property
- It will be subordinate to the lien of the Mortgage
- The Infrastructure Agreement Servicing Request does not include a request to subordinate the lien of the Mortgage or a request for the lender to enter into a non-disturbance agreement
- It is not a Solar Agreement



- The “lender” is not named as a party to, nor is it being requested to sign, the agreement or any related document
- It is compatible with the use of the Property
- It contains terms and provisions, including compensation, that are customary for the market in which the Property is located
- It does not impose on the Property owner any financial obligations equal to or greater than \$100,000
- It will not have any material adverse impact on the Property value, operations, access, income, or marketability
- If the Infrastructure Agreement Servicing Request involves a lease, the tenant is not an Affiliate of Borrower, any Borrower Principal or any Guarantor
- It does not reduce the income from any residential units or other income-producing improvements
- It does not impose any financial obligations on any mortgagee, and/or subsequent owner by foreclosure, deed in lieu of foreclosure or other conveyance (including reimbursement of any up-front fee paid by the provider to the Property owner upon termination of the agreement)
- The Servicer has not received notification from Freddie Mac that the Mortgage has been designated for inclusion in a Securitization
- The Mortgage does not back a Freddie Mac Multifamily Participation Certificate, a Freddie Mac Bond Credit Enhancement transaction or a Freddie Mac tax-exempt or taxable Multifamily bond securitization
- There are no investors who have provided credit enhancements for the Mortgage other than a Seller/Servicer, the Borrower or an Affiliate of the Borrower

Generally, Freddie Mac will not require delivery of a preliminary legal issues memorandum (PLIM) for an Infrastructure Agreement Servicing Request that satisfies the above requirements; however, the Servicer may request that its counsel prepare a PLIM to confirm the requirements set forth above in this Section 43.32(b) or to address a material legal issue that Servicer has identified.

The Servicer may require the Borrower to pay or reimburse the Servicer upon demand for all costs and expenses, including all attorneys' fees and costs, incurred by the Servicer in connection with the review of the Telecommunications Agreement Servicing Request.

c. Documentation for an Infrastructure Agreement Servicing Request not requiring Freddie Mac approval (04/18/24)

Upon receiving an Infrastructure Agreement Servicing Request, the Servicer must take the following actions:



- Enter the Borrower request into the Consent Request Tracker as required by Section 36.25. The Consent Request Tracker record should be created with the selection that Freddie Mac approval is not required for Mortgages owned by Freddie Mac.
- Within 30 days after the Servicer's approval of an Infrastructure Agreement Servicing Request, the Servicer must notify Freddie Mac of any actions taken under the delegated approval by electronically delivering the Borrower's request, along with a copy of the fully executed Infrastructure Agreement.

d. File retention requirements for an Infrastructure Agreement Servicing Request not requiring Freddie Mac approval (04/18/24)

The Servicer must maintain a file that contains the following information relating to a delegated Infrastructure Agreement Servicing Request approval:

- Borrower's original request for approval and required information
- Evidence of the Servicer's analysis and approval of the request
- Copies of the Servicer's notification of the approval to the Borrower and Freddie Mac
- Copies of the executed Infrastructure Agreement

The Servicer must maintain the file in accordance with the requirements set forth in Section 34.4.

e. Infrastructure Agreement Servicing Request requiring Freddie Mac approval (04/18/24)

For any Infrastructure Agreement Servicing Request for which the Servicer is not delegated approval authority under Section 43.32(b), the Servicer must take the following actions:

- Enter the Infrastructure Agreement Servicing Request into the Consent Request Tracker as required by Section 36.25
- Promptly upon receipt of all applicable items listed in 1 - 4 below, electronically deliver those items to Freddie Mac, together with the Borrower's request and the Servicer's recommendation

The Servicer must deliver each of the following documents:

1. A completed [General Servicing Request](#) or [Easement Request](#), as applicable, which must include the Servicer's analysis and recommendation for action
2. A copy of the proposed Infrastructure Agreement and any additional documents or instruments associated with the Borrower Request
3. A PLIM addressing each issue under 43.32(b) raised by the Infrastructure Agreement Servicing Request (e.g., Borrower fails to satisfy one of the applicable Loan Document requirements) and any other legal issue that Servicer determines is raised by the



Infrastructure Agreement Servicing Request. In addition, if the proposed Infrastructure Agreement will not be subordinate to the lien of the Mortgage or if the Infrastructure Agreement Servicing Request includes a request for non-disturbance protection, the PLIM must also analyze the proposed instrument under Section 8.22 (Infrastructure Agreements), Chapter 29 (title policy and endorsement requirements), and if applicable, Section 8.21 (Solar Agreements), Section 43.10 (Easements), Section 8.11(g) (Non-Residential Leases), Section 43.24 (Non-Residential Leases), Section 43.12 (Easement in lieu of condemnation), or other applicable Guide provisions. If Freddie Mac determines that the transaction raises legal issues (or inadequately addresses any of the Section 43.32(b) items), Freddie Mac may request a supplementary PLIM. Unless instructed otherwise, the appropriate PLIM form is the [Short Form PLIM \(Infrastructure Agreements\)](https://mf.freddiemac.com/lenders/legal) available via mf.freddiemac.com/lenders/legal.

4. Any other information requested by Freddie Mac

If Freddie Mac approves the Borrower request, Servicer must submit to Freddie Mac an execution-ready form of any document or instrument that must be executed by the lender. Before submitting documents to Freddie Mac for signature, the Servicer and its counsel must review the documents to ensure that they:

- Are in the proper form
- Contain the proper signature lines and acknowledgments
- Correctly describe the Infrastructure Agreement or related instrument approved by Freddie Mac, including the legal description (if applicable)

For all Infrastructure Agreement Servicing Requests that require Freddie Mac approval, the Servicer must charge the Borrower a nonrefundable review fee in the amount specified in the Loan Documents, or, if no amount is specified, in the amount set forth in [Exhibit 10](#). The Servicer must remit to Freddie Mac 50 percent of the review fee, if any, and may retain the remaining 50 percent. The Servicer may not charge the Borrower any additional fees for processing an application for approval of an Infrastructure Agreement Servicing Request.

At the time of delivery of the Borrower request to Freddie Mac, the Servicer must remit to Freddie Mac the Freddie Mac portion of any review fee. The Servicer must:

- Obtain wire transfer instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions or Multifamily Asset Management, Structured Transactions*, as applicable
- Send the wire transfer to the attention of *Multifamily Cash Management*
- Reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number.

NOTE: Review fees for Infrastructure Agreement Servicing Request are only payable under rare circumstances (such as an easement request for a Loan originated prior to July 1, 2014).



f. Recordation of an Infrastructure Agreement requiring Freddie Mac approval (04/18/24)

If applicable, Servicer must comply with all local recording requirements and arrange for recordation of the Infrastructure Agreement and any other applicable document at no cost to Freddie Mac.

g. Required documentation for an Infrastructure Agreement Servicing Request requiring Freddie Mac approval (04/18/24)

Within the time specified in the Freddie Mac approval letter, the Servicer must electronically deliver to Freddie Mac a copy of:

- The final, executed Infrastructure Agreement and any related document or instrument executed in connection with the Infrastructure Agreement Servicing Request
- Any other document required by the Freddie Mac approval letter.

43.33 Deadlines in Article I (Key Loan Terms) and Exhibits and Riders to the Loan Agreement (10/20/22)

Article I and Exhibits and Riders to the Loan Agreements may contain deadlines for various loan requirements that the Borrower must address. Servicers must notify Borrowers of these deadlines. Freddie Mac's Property Reporting System (PRS) is a tool for Servicers to identify such loan requirements and deadlines. If a deadline extension is needed, then 10 Business Days prior to the deadline, Servicers must submit an extension request to Freddie Mac via Document Management System (DMS) and Consent Request Tracker (CRT), and update PRS Loan Item Tracking (LIT) regarding submitted extension requests.

43.34 Reporting of Property and Borrower news and events (04/18/24)

If the Seller/Servicer becomes aware of any news articles or recent events within the last 12 months that could reflect adversely upon the Borrower, any Borrower Principal or the Property, the Seller/Servicer must report such information within five Business Days to Freddie Mac via email at MF_Loan_Compliance@freddiemac.com.

43.35 Nonstandard processing fees payable by borrower in Loan Documents (02/27/25)

For other types of Lender review and/or processing fees identified as "Nonstandard Processing Fees" on [Exhibit 10](#), the Servicer must charge the Borrower the fee in the amount specified in the Loan Documents to cover such review and/or processing.

The Servicer must remit to Freddie Mac 50 percent of such fee and may retain the remaining 50 percent.

The Servicer must remit the fee by wire transfer and obtain wiring instructions from Freddie Mac *Multifamily Asset Management, Borrower Transactions* or Freddie Mac *Multifamily Asset Management, Structured Transactions*, as applicable. The Servicer must reference the Property name, the Freddie Mac contact person and the Freddie Mac loan number in its fee remittance.



The Servicer may not charge the Borrower any additional fees in connection with the related request.