

Multifamily Seller/Service Guide

Chapter 29

Title, Description, Survey, UCC Searches and Opinions



- 29.1 [Title insurance policy requirements \(04/22/25\)](#)
 - a. [Maximum single risk amount \(08/15/24\)](#)
 - b. [Reinsurance and coinsurance \(04/22/25\)](#)
 - c. [Selection of the Title Company \(04/22/25\)](#)
 - d. [Acquisitions \(04/22/25\)](#)
 - e. [Amount of protection \(08/17/23\)](#)
 - f. [Insured \(04/22/25\)](#)
 - g. [Legal description \(04/22/25\)](#)
 - h. [Endorsements \(08/15/24\)](#)
 - i. [Insured closing protection letter \(04/22/25\)](#)
- 29.2 [Title exceptions \(04/22/25\)](#)
 - a. [Approval of title exceptions \(04/22/25\)](#)
 - b. [Submission of analysis \(04/22/25\)](#)
 - c. [Delivery of a Title Insurance Policy Certification and written analysis approval \(04/22/25\)](#)
 - d. [Analysis of title exceptions for Supplemental Mortgages \(04/18/24\)](#)
 - e. [Analysis of title exceptions for Assumptions \(04/22/25\)](#)
 - f. [Reserved \(04/22/25\)](#)
 - g. [Exception for Private Transfer Fee Covenant \(04/22/25\)](#)
 - h. [Exception for condominium/cooperative conversion restriction \(04/22/25\)](#)
- 29.3 [Uniform Commercial Code search requirements \(04/22/25\)](#)
- 29.4 [Survey requirements and encroachments and violations noted on the survey \(04/22/25\)](#)
 - a. [SBL Mortgages \(04/22/25\)](#)
 - b. [Non-SBL Mortgages \(04/22/25\)](#)
- 29.5 [Legal opinions for non-SBL Mortgages \(04/22/25\)](#)
 - a. [Legal opinions required \(04/22/25\)](#)
 - b. [Review and analysis of legal opinions \(04/18/24\)](#)
 - c. [Opinions requiring Freddie Mac review and approval \(04/18/24\)](#)
 - d. [Non-Consolidation Opinion Requirements \(04/18/24\)](#)
 - e. [Required opinion provisions for Seller Application \(04/22/25\)](#)



29.1 Title insurance policy requirements (04/22/25)

This chapter details Freddie Mac's Title Policy requirements for all Mortgages, including SBL and TEL Mortgages. Unless indicated otherwise in the applicable section or subsection, references in this chapter to "Mortgage" refer to non-SBL Mortgages, SBL Mortgages, and TELs, and references to "counsel" refer to Seller/Service's counsel for non-SBL Mortgages and Single Counsel for SBL Mortgages and TELs.

Each Mortgage purchased by Freddie Mac must be covered by a Title Policy. The final Title Policy delivered to Freddie Mac must be accurate and complete and must reflect any additional requirements that may be imposed by Freddie Mac for a particular Mortgage. The Title Policy must be underwritten by a Title Insurance Underwriter.

It is the responsibility of the Seller/Service and its counsel to obtain and review in detail the title commitment, documents evidencing or creating each exception to title and the Title Policy. It is also their responsibility to bring to Freddie Mac's immediate attention any issue that could result in a material adverse effect on the Mortgage or the use or marketability of the Property or could create potential safety or environmental issues.

a. Maximum single risk amount (08/15/24)

The maximum single risk amount (the risk in connection with any one Mortgage) assumed by one Title Insurance Underwriter may not be more than 25 percent of such Title Insurance Underwriters' surplus to policyholders. Policies for amounts in excess of the maximum single risk amount may be acceptable if any excess amount is covered by reinsurance by another Title Insurance Underwriter meeting the requirements of this chapter.

b. Reinsurance and coinsurance (04/22/25)

- **Reinsurance**

If the single risk amount exceeds 25 percent of the Title Insurance Underwriter's surplus to policyholders, the excess amount may be covered by reinsurance meeting all of the following requirements:

- The excess amount may not exceed 25 percent of the reinsuring company's surplus to policyholders. Tertiary insurance will not be permitted.
- The reinsurer must be a Title Insurance Underwriter.
- The reinsurance must be provided by the issuance of the most current form of American Land Title Association (ALTA) Facultative Reinsurance Agreement.
- Pro forma documentation for all reinsured transactions must be submitted to Freddie Mac for review and approval prior to the Origination Date.

Any Title Policy that is reinsured at the option of the Title Insurance Underwriter must meet all of the requirements of this subsection. Freddie Mac does not expect that any single SBL Mortgage or pool of SBL Mortgages \$40 million or less will require reinsurance. For the financing of a pool of SBL Mortgages in excess of \$40 million, reinsurance for such pool is subject to the provisions of Section 29.1(a) and (b).



- **Coinsurance**

Usually, Freddie Mac will not accept coinsurance (multiple Title Insurance Policies issued by multiple Title Insurance Underwriters for the same transaction). Freddie Mac will consider allowing coinsurance only if the Title Insurance Underwriters and Title Policies each meet the requirements of this chapter and the use of coinsurance is approved in writing by Freddie Mac prior to Rate Lock. Prior to the Origination Date, the Seller/Servicer must submit to Freddie Mac for its review and approval the Title Policies for any Mortgage that will be coinsured. Freddie Mac does not expect that any single SBL Mortgage or pool of SBL Mortgages \$40 million or less will require coinsurance. For the financing of a pool of SBL Mortgages in excess of \$40 million, coinsurance for such pool is subject to the provisions of Section 29.1(a) and (b).

c. Selection of the Title Company (04/22/25)

1. The Seller/Servicer's selection or acceptance of any Title Company must be based solely on considerations typically used by prudent institutional lenders originating or purchasing Mortgages in the jurisdiction where the Property is located, as permitted by applicable law, and acting in the best interests of Freddie Mac. The Seller/Servicer must not base this selection on receipt of anything of value or other consideration by the Seller/Servicer or its employees, officers, or directors paid by or on behalf of a Title Company.
2. As provided in Section 2.19, the Seller/Servicer must approve, evaluate and monitor Title Companies and any other third party to whom functions relating to a Mortgage or REO are outsourced or assigned (e.g., the fiscal agent for a TEL Mortgage), including consulting the [Multifamily Restricted Vendor List](#).

Freddie Mac reserves the right to: (i) refuse to accept Mortgages for purchase, or (ii) approve the assumption of a Mortgage, in each case involving any specific Title Company on the [Multifamily Restricted Vendor List](#). If a Title Company appears on the Multifamily Restricted Vendor List, the Seller/Servicer may not use that Title Company until notified otherwise by Freddie Mac. The decision to place a Title Company on the Multifamily Restricted Vendor List is solely within Freddie Mac's discretion.

With respect to Title Companies, the [Multifamily Restricted Vendor List](#) is made available to Seller/Servicers for the sole purpose of ensuring that an unacceptable Title Company does not perform services in connection with Multifamily Mortgage transactions and will constitute "Confidential Information" as defined in Section 2.8. Notwithstanding the Confidential Information classification, when a Borrower has engaged a Title Company on the Multifamily Restricted Vendor List in connection with a Mortgage transaction, the Seller/Servicer is permitted to advise the Borrower and Seller/Servicer's counsel or Single Counsel engaged for that Mortgage transaction that Freddie Mac will require engagement with a different Title Company. Parties are advised of their placement on the Multifamily Restricted Vendor List.

3. Freddie Mac also reserves the right to subject Freddie Mac's acceptance of the engagement of any Title Company to such additional terms and conditions as Freddie Mac deems necessary, reasonable, or appropriate in Freddie Mac's sole discretion. When applicable, Freddie Mac is identifying these Title Companies as Third-Party Vendors on the Vendors With Conditions List, which is attached as a schedule to the

Guide Bulletin Update 04/22/25 Chapter 29 – Page 3



[Multifamily Restricted Vendor List](#). These Title Companies may continue to be engaged by Borrowers or Seller/Service providers but will be subject to the additional conditions provided in the schedule to the [Multifamily Restricted Vendor List](#).

4. If the Seller/Service provider, for cause, discontinues the use of a Title Company in connection with a Freddie Mac transaction within the past 12 months and such Title Company is not identified on the [Multifamily Restricted Vendor List](#), the Seller/Service provider must send written notification promptly to Freddie Mac, to the attention of Freddie Mac Legal MF@freddiemac.com.

d. Acquisitions (04/22/25)

1. For any Mortgage origination transaction that is an acquisition, the Title Insurance Underwriter, its affiliate under identical ownership, or its wholly-owned subsidiary must directly perform all escrow and settlement functions for both the Mortgage origination transaction and the acquisition of the Property (*i.e.*, the Title Insurance Underwriter or such affiliate or subsidiary must receive and disburse all funds from all sources related to the acquisition and prepare the settlement statement for the acquisition of the Property and the acquisition financing). The settlement statement must be delivered to the Seller/Service provider or the Seller/Service provider's counsel directly by the Title Insurance Underwriter or such affiliate or subsidiary. (See Section 32.3(c) for additional settlement statement requirements.)

For acquisition Mortgage origination transactions, if the law of the jurisdiction in which the Property is located prohibits the use of anyone other than a licensed attorney for escrow and/or settlement functions, and the Seller/Service provider or its counsel has confirmed that the Title Insurance Underwriter or its wholly-owned subsidiary or affiliate under identical ownership does not have a licensed attorney on staff in such jurisdiction who can fulfill this requirement, the Seller/Service provider's counsel must notify the applicable Freddie Mac transactional attorney on or prior to the Seller/Service provider's submission of the full underwriting package.

Notwithstanding the foregoing, for TEL Mortgages, the fiscal agent may perform certain escrow and settlement functions including the receipt and disbursement of TEL proceeds as described in the funding loan agreement.

2. For purposes of the requirements described in this chapter, and notwithstanding any identification of the Mortgage origination transaction in the Mortgage commitment or otherwise, a Mortgage origination transaction will be deemed to be an acquisition if the Property (A) is acquired by the Borrower effective as of the Origination Date, or (B) was acquired by the Borrower or an affiliate of the Borrower within a thirty (30) day period prior to the Origination Date.
3. For any Mortgage origination transaction that is not an acquisition, the Title Insurance Underwriter may also perform escrow and settlement functions but is not required to do so.
4. For purposes of clarification and without limitation of any of its requirements, this Section 29.1(d) will apply to the origination of a Supplemental Mortgage in connection with any acquisition of the related Property and the assumption of the related senior Mortgage within the time frame described in Section 29.1(d)(2).



e. Amount of protection (08/17/23)

The Title Policy must insure the mortgagee for an amount no less than the original principal balance of the insured Mortgage.

f. Insured (04/22/25)

For all Mortgages other than a TEL Mortgage, the Title Policy must name as the insured either:

- Freddie Mac, its successors or assigns, or
- Seller/Servicer and/or Freddie Mac, its successors or assigns, as their interests may appear

For a TEL Mortgage, the Title Policy must name as the insured:

- The governmental agency and/or fiscal agent, their successors and/or assigns, as their interests may appear

g. Legal description (04/22/25)

The legal description in the Title Policy must conform to the legal description contained in the survey, security instrument, UCC financing statement, lease, and all other documents pertaining to the Mortgage and the Property. The legal description must include all appurtenant easements.

h. Endorsements (08/15/24)

Each endorsement required pursuant to the [Title Policy and Endorsement Requirements](#) must:

- Be either attached to or sufficiently incorporated in the Title Policy.
- Be on the specific form of the endorsement identified in the Title Insurance Policy Certification as defined in Section 29.2(c).
- Include the number of the Title Policy.
- Be dated as of the date of the Title Policy, if dated.
- If required, be signed electronically by the Title Company. A PDF signature or a signature that is electronically produced as part of the Title Policy or the endorsement is acceptable.

If affirmative coverage in lieu of an endorsement is acceptable as indicated in the [Title Policy and Endorsement Requirements](#), then the affirmative coverage language in the Title Policy must be equivalent to the affirmative coverage language described in the Title Policy Requirements.



i. Insured closing protection letter (04/22/25)

If either of the recordation of the documents or the escrow and disbursement of funds in connection with the origination of the Mortgage is being handled by a Title Company other than the Title Insurance Underwriter, then if available in the applicable jurisdiction, the Seller/Servicer must also obtain and provide an insured closing protection letter addressed to Freddie Mac, or to the Seller/Servicer and its successors and assigns, that provides coverage for any loss that arises out of (i) the failure of the Title Company to comply with the Seller/Servicer's written closing instructions, or (ii) fraud or dishonesty in handling the funds or documents in connection with the origination of the Mortgage. For TEL Mortgages, an insured closing protection letter is not required on the basis that the fiscal agent is handling the escrow and disbursement of TEL proceeds in accordance with the funding loan agreement.

29.2 Title exceptions (04/22/25)

a. Approval of title exceptions (04/22/25)

The Seller/Servicer or its counsel must obtain, read, and analyze each document that evidences or creates any exception to the title insurance coverage to determine whether the exception would be acceptable to a prudent institutional lender.

If the Seller/Servicer or its counsel determines that any of the following categories applies with respect to an exception, such exception requires written analysis in the form and manner described in Section 29.2(b) and, whenever required pursuant to Section 29.2(b), must be expressly approved by Freddie Mac:

- Title Exception Category 1: Any party's exercise of its rights under the exception could have a foreseeable adverse effect on the Borrower's intended use of the Property, including any interference with the present or proposed improvements on the Property or with the operation of the Property.
- Title Exception Category 2: Any party's exercise of its rights under the exception could impair lender's ability to enforce its rights under the Mortgage or could adversely affect the lien priority of the Mortgage.
- Title Exception Category 3: The exception would not be acceptable to a reasonable, prudent institutional lender in the area where the Property is located.
- Title Exception Category 4: The exception results in an exception to the Seller/Servicer Representations and Warranties or the [Seller/Servicer Representations and Warranties – SBL](#), as applicable.
- Title Exception Category 5: The exception could create potential safety or environmental issues.
- Title Exception Category 6: The exception could result in a material adverse effect on the Mortgage, the security interest in the collateral described by the Mortgage, or the



use, value, operation or marketability of the Property or could impair the lien of or the lien priority of the Mortgage.

- Title Exception Category 7: The exception contains a purchase option, right of first refusal, right of first offer, right of reverter, or requires consent to a transfer of all or any portion of the Property (including in connection with foreclosure or deed-in-lieu of foreclosure).
- Title Exception Category 8: The Guide or Legal Issues Analysis (for non-SBL Mortgages) separately requires written analysis or approval with respect to such exception (such as, by way of example and not limitation, ground leases, regulatory agreements or condominium declarations). For ground leases, see also Section 30.8.

b. Submission of analysis (04/22/25)

If the written analysis required pursuant to Section 29.2(a) was not included in the Legal Issues Analysis (for non-SBL Mortgages) and/or any other required legal analysis required by the Guide submitted prior to the effective date of the Commitment, then the analysis must be submitted for approval no later than two business days prior to the anticipated Origination Date.

All requests for approval of title exceptions must be in writing and be submitted to the applicable Multifamily Attorney and Legal Analyst by email and include the anticipated closing date and pool name, if applicable, in the email subject line, and be uploaded to DMS. The request must be in the form of:

Non-SBL Mortgages

- An amended Legal Issues Analysis or other analysis previously submitted to the applicable Multifamily Attorney; and
- If applicable, such other legal analysis required by the Guide.

Or

SBL Mortgages

- A legal analysis required by the Guide or the applicable Multifamily Attorney.

The analysis must describe which category or categories in Section 29.2(a) applies to such exception necessitating written analysis and must include the Seller/Servicer or its counsel's recommendation (i) for mitigating any risk evidenced by the exception or explanation of why mitigation is not necessary or possible and (ii) as to the acceptability of the exception. The recommendation must expressly state why Freddie Mac should consider accepting this exception. The analysis must provide sufficient detail to enable Freddie Mac to make any necessary decision regarding the acceptability of an exception without having to read the document evidencing or creating the exception.

Submission to Freddie Mac of the underlying document creating the exception does not relieve the Seller/Servicer or its counsel of the requirement to submit the written analysis of



the exception. However, Freddie Mac reserves the right to require the Seller/Servicer or its counsel to submit the exception document(s).

c. Delivery of a Title Insurance Policy Certification and written analysis approval (04/22/25)

At final delivery of the Mortgage, the Seller/Servicer's counsel must deliver a [Title Insurance Policy Certification](#) (the "Title Insurance Policy Certification"). Copies of all emails with express approval of any exceptions for which the Seller/Servicer or its counsel submitted a request for approval must be attached to the Title Insurance Policy Certification, along with the final Title Policy and all required endorsements.

d. Analysis of title exceptions for Supplemental Mortgages (04/18/24)

For any Supplemental Mortgage purchased under the Freddie Mac Multifamily Supplemental Mortgage Product, the Seller/Servicer or its counsel must provide a written analysis only for:

- Any title exception that did not previously appear as an exception to title in the policy insuring the senior Mortgage and falls into one or more categories set forth in Section 29.2(a), or
- Any title exception that previously appeared as an exception to the title in the policy insuring the senior Mortgage but will not be covered by the same endorsement or equivalent coverage.

Therefore, with respect to a Supplemental Mortgage, a written analysis will be required for any exception that appeared as a subordinate item in the policy insuring the senior Mortgage when such exception is not expressly subordinate to the Supplemental Mortgage as well.

e. Analysis of title exceptions for Assumptions (04/22/25)

For any assumptions, the Seller/Servicer or its counsel must provide the discussion of the exceptions to the Title Policy as required by Section 41.4 or 41SBL.4.

f. Reserved (04/22/25)

g. Exception for Private Transfer Fee Covenant (04/22/25)

If the Title Policy contains an exception for a Private Transfer Fee Covenant that was created on or after February 8, 2011, the Mortgage is ineligible for purchase by Freddie Mac. See Section 8.14 or 8SBL.14.

h. Exception for condominium/cooperative conversion restriction (04/22/25)

(i) SBL Mortgages

Exception for a prohibition against conversion of the Property to a condominium or cooperative structure is acceptable, provided the agreement does not contain any indemnification of the seller of the Property in connection with the conversion or other potential lender liability.



If the condominium/cooperative conversion restriction does contain an indemnification in connection with the conversion, the Seller/Servicer or Single Counsel must advise Freddie Mac.

(ii) Non-SBL Mortgages

If the Title Policy contains an exception for a prohibition against or any indemnification in connection with the conversion of the Property to a condominium or cooperative structure, the Seller/Servicer or its counsel must examine the underlying agreement/restriction as provided in Section 8.18(f) to determine that the agreement/restriction meets the requirements set forth in such section.

The Seller/Servicer or its counsel must confirm that all such requirements have been satisfied or that any non-compliant provisions have been identified in the Legal Issues Analysis prior to the effective date of the Commitment.

29.3 Uniform Commercial Code search requirements (04/22/25)

It is the responsibility of the Seller/Servicer to ensure that a First Lien security interest is perfected in (1) all fixtures, (2) all personal property of the Borrower that is located in or on the Property or is used or intended to be used in connection with the Property and (3) any other Uniform Commercial Code (UCC) collateral described in the UCC financing statement (collectively the "UCC collateral").

In order to ensure this First Lien security interest, the Seller/Servicer must perform certain Public Record Searches, including searches of the Uniform Commercial Code records ("UCC search"), all as more specifically described in the [Public Records Search Requirements](#). Each UCC search must include every office where a financing statement would be filed in accordance with the provisions of Revised Article 9 of the UCC.

Prior to the Origination Date, an explanation of any financing statements identified in a UCC search other than the financing statements filed by the current lender that will be released at origination of the Mortgage must be provided to the applicable Multifamily Attorney in either (i) an amended Legal Issues Analysis for non-SBL Mortgages or (ii) a written analysis for SBL Mortgages.

The final delivery of the Mortgage must include a [Seller's Counsel's Certification](#) or [Single Counsel's Certification – SBL](#), as applicable, in which counsel certifies that the UCC searches reveal only financing statements that (1) have been or will be terminated in connection with the origination of the Mortgage or (2) have been approved by Freddie Mac.

For a Mortgage secured by a Seniors Housing Project, in addition to the searches required in the [Public Records Search Requirements](#), the Seller must conduct any additional UCC searches required in Section 21.3.



29.4 Survey requirements and encroachments and violations noted on the survey (04/22/25)

a. SBL Mortgages (04/22/25)

A new survey is not required for SBL Mortgages.

If the Title Policy contains an exception for any itemized survey or plat matters, the Seller/Servicer must deliver an electronic copy of the referenced survey or plat with the recorded exception documents, in accordance with Section 29.2.

b. Non-SBL Mortgages (04/22/25)

(i) ALTA/NSPS requirements; survey waivers

1. For each Mortgage purchased by Freddie Mac, the Seller/Servicer must submit a survey meeting the then-current minimum standard detail requirements for American Land Title Association/National Society of Professional Surveyors, Inc. (ALTA/NSPS) Land Title Surveys. The survey must be made, dated or revised by a licensed civil engineer or registered surveyor not more than 90 days prior to the date of the Note. The surveyor's certification must:
 - Be the form of certification required by the most current ALTA/NSPS requirements, except that the Table A items need not be listed in the certification
 - Be for the benefit of the Seller/Servicer, Freddie Mac and its successors and assigns and the title insurance underwriter issuing the title insurance policy if required by the title insurance underwriter
2. Unless specifically waived under the terms of the Letter of Commitment, a survey is required for every Mortgage purchased by Freddie Mac. (See also the [Waiver of Certain Survey Requirements](#).)

(ii) Additional Freddie Mac requirements

In addition to the items that must be included in an ALTA/NSPS Land Title Survey, the survey must also include the following:

- Substantial visible improvements (in addition to buildings) such as entrance or monument signs, parking structures including carports and garages, swimming pools and other recreational facilities such as clubhouses, basketball and tennis courts
- Indication of access to all public rights of way such as curb cuts, driveways marked, etc.
- Parking areas and type and number of parking spaces. (Parking space striping need not be shown.)
- Any setback requirements applicable to the Property (including those imposed via zoning law or building codes and any documents on record affecting the Property)



(iii) Survey – encroachments and violations

The Seller/Servicer or its counsel must analyze all encroachments and violations shown in the survey and submit a written analysis of and receive approval for any encroachment or violation which materially and/or adversely affects the Property's operation, use or value or the security intended to be provided by the Mortgage (examples: income-producing buildings, parking, access ways). The written analysis must include the following:

- A reasonably detailed description of the encroachment and/or violation (e.g., how many feet a building encroaches over an easement)
- Whether there is building law and ordinance coverage for the Property if the encroachment and/or violation impacts a zoning requirement

If the risk posed by any encroachment or violation can be mitigated by an endorsement identified in the [Title Policy and Endorsement Requirements](#) and included in the Title Policy, then the exception does not need to be included in a written analysis. If any such required endorsement is not available or has been modified from the standard required form, then a written analysis of the exception must be submitted.

(iv) Special survey requirements for MHC Mortgages

In addition to the requirements set forth in this Chapter 29 with respect to surveys, if the Property is an MHC Property, the following requirements are applicable:

- The survey must include the number of Home Sites located on the Property, as well as a description of the parking areas or spaces that are generally available for each Manufactured Home (i.e., the number of off-street parking spaces available for each Manufactured Home should be included on the survey).
- The survey must depict the location of:
 1. The extent and approximate dimensions of any encroachments by Manufactured Homes (including any Borrower-Owned Homes), Home Sites, piers, and foundations. If any of the foregoing do not constitute encroachments, their location does not need to be shown on the survey. Instead, a simple indicating mark may be included.
 2. Private interior access roads or streets and visible utilities. Unless such items constitute encroachments, they may be sketched on to the survey to show their approximate location, and can be located by photogrammetric or other approximate methods in lieu of precise field measurements.

29.5 Legal opinions for non-SBL Mortgages (04/22/25)

a. Legal opinions required (04/22/25)

For non-SBL Mortgages, the Final Delivery Package must include the following legal opinions addressed to the Seller/Servicer (individually and collectively, the “**Opinion Letter**”):



- A legal opinion with respect to Borrower and any SPE Equity Owner in the form provided on the Freddie Mac Multifamily website ([the “Borrower Opinion”](#)).
- A legal opinion with respect to any Guarantor in the form provided on the Freddie Mac Multifamily website ([the “Guarantor Opinion”](#)).
- A non-consolidation legal opinion (the “**Non-Consolidation Opinion**”) for any Mortgage, except for a TEL Mortgage (this exclusion does not include split supplemental TEL Mortgages):
 - With an original principal balance equal to or greater than \$40,000,000;
 - That is a part of a cross-collateralized and cross-defaulted pool of Mortgages that are, when aggregated, \$40,000,000 or greater; or
 - If otherwise required by the Letter of Commitment or early rate lock application
- Any other legal opinions required by Freddie Mac under the Guide, in the applicable Letter of Commitment or early rate lock application, or otherwise.

Notwithstanding the foregoing, the enforceability opinions and local law opinions may be omitted from the Borrower Opinion and Guarantor Opinion for a supplemental mortgage originated under the Freddie Mac Multifamily Supplemental Mortgage Product.

b. Review and analysis of legal opinions (04/18/24)

Seller/Servicer’s counsel must review and analyze all Opinion Letters to ensure the Opinion Letters conform to Freddie Mac’s requirements. Additional guidelines and requirements for the review of opinions are set forth in the Opinion Letter Guidelines and, if applicable, the Requirements for Review of Non-Consolidation Opinions, provided on the Freddie Mac Multifamily [website](#).

All Opinion Letters must contain the following use and reliance provision, without modification:

“This opinion letter is furnished to you solely for your benefit, the benefit of subsequent holders of the Note, and any statistical rating agency that provides a rating on securities backed in part by the Loan, all of which we understand may receive copies of this opinion letter. This opinion letter may not be used, quoted from or relied upon by any other person without our prior written consent; however, you or a subsequent holder of the Note may deliver copies of this opinion letter to (a) independent auditors, accountants, attorneys and other professionals acting on behalf of you or a subsequent holder of the Note, (b) governmental agencies having regulatory authority over you or a subsequent holder of the Note, (c) designated persons pursuant to an order or legal process of any court or governmental agency, and (d) prospective purchasers of the Note.”

The counsel rendering the opinions must be acceptable to Freddie Mac or to the Seller/Servicer if Seller/Servicer is authorized to approve the opinion. The Letter of Commitment or the early rate lock application may require that the counsel state additional conclusions in the opinion. Freddie Mac reserves the right to require Seller/Servicer at any time to deliver to Freddie Mac all documents on which the counsel based or should have based the opinion.



c. Opinions requiring Freddie Mac review and approval (04/18/24)

The Seller/Servicer must submit a copy of the following opinions for Freddie Mac's review and approval not less than three business days prior to the scheduled origination date of the Mortgage:

- All Opinion Letters for any Mortgage with an original principal balance equal to or greater than \$100,000,000.
- Any Seniors Housing Mortgage licensure opinion, specifically opinions #27 and #28 from the Borrower Opinion form.

Such opinions must be marked to clearly indicate the additions to and deletions from the appropriate form of Opinion Letter. The Borrower or the Seller/Servicer must pay for any legal fees associated with the review and approval of any such additions to or deletions from the appropriate form of Opinion Letter in connection with the origination of the Mortgage.

The Seller/Servicer's counsel must provide an analysis and recommendation with respect to such opinions (the "**Opinion Analysis**"). Freddie Mac will not be responsible for any loss, costs or damages incurred by the Seller/Servicer or Borrower as a result of the origination of the Mortgage being delayed due to the failure of the Seller/Servicer to timely deliver to Freddie Mac a draft Opinion Letter and/or the Opinion Analysis.

d. Non-Consolidation Opinion requirements (04/18/24)

Non-Consolidation Opinions must state that if any equity owner or group of affiliated equity owners (or group of family members) who own more than 49% of the equity in Borrower were to become insolvent, neither Borrower, nor its assets and liabilities, would be substantively consolidated with that of the equity owner or group of affiliated equity owners (or group of family members) or with the SPE Equity Owner.

A "should" Non-Consolidation Opinion is not acceptable; all Non-Consolidation Opinions must be "would" opinions.

All Non-Consolidation Opinions must be submitted to Freddie Mac for review and approval prior to origination of the Mortgage as provided in the [Requirements for Review of Non-Consolidation Opinions](#) provided on the Freddie Mac Multifamily website. The Borrower or the Seller/Servicer must pay for any legal fees associated with the review and approval of any Non-Consolidation Opinion required in connection with the origination of a Mortgage.

e. Required opinion provisions for Seller Application (04/22/25)

For non-SBL Mortgages, the Seller/Servicer must include, as part of its Seller Application with or loan commitment to the Borrower, the following provision.

Delivery of Opinion Letters to Be Delivered to Freddie Mac

Borrower acknowledges and agrees that as part of the loan closing process it is required to deliver to [Seller/Servicer to Insert Seller/Servicer's Name] certain legal opinion letters in form and substance acceptable to the Federal Home Loan Mortgage Corporation



(“**Freddie Mac**”) addressing, among other things, enforceability, due formation, execution and delivery, non-consolidation (under certain circumstances) and such other matters as may be required by Freddie Mac (collectively if more than one, the “**Opinion Letter**”). In order to properly review any Opinion Letter requiring Freddie Mac’s approval Freddie Mac must receive a draft of the Opinion Letter, with analysis and recommendations from [Seller/Service to Insert Seller/Service’s Name], not less than three business days prior to the anticipated consummation of the loan transaction. Accordingly, Borrower acknowledges and agrees to deliver to [Seller/Service to Insert Seller/Service’s Name], not less than ____ business days [Seller/Service to Insert Number of Days as Required by Seller/Service’s Counsel] prior to the anticipated consummation of the loan transaction, a draft Opinion Letter for review. Borrower acknowledges and agrees that [Seller/Service to Insert Seller’s/Service Name] will not be responsible for reviewing any Opinion Letter received less than ____ Business Days [Seller/Service to Insert Number of Days as Required by Seller/Service’s Counsel] prior to the anticipated consummation of the loan transaction and that Borrower’s failure to timely deliver such Opinion Letter may result in the consummation of the loan transaction being delayed. Borrower further acknowledges and agrees that neither [Seller/Service to Insert Seller/Service’s Name] nor Freddie Mac will be responsible for any loss, costs or damages incurred by Borrower as a result of the consummation of the loan transaction being delayed due to the failure of Borrower to timely deliver a draft Opinion Letter.