

Multifamily Seller/Servicer Guide

Chapter 55SBL

SBL Documentation and Deliveries

55SBL.1 Use of Chapter 55SBL

This Chapter 55SBL applies to SBL Mortgages originated under Chapter 18SBL. In this Chapter 55SBL, SBL Seller/Servicers are referred to as “Seller,” and SBL Mortgages are referred to as “Mortgages.”

Chapter 55SBL is to be used in the preparation of an underwriting package for an SBL Mortgage, and in the preparation of documentation to be submitted to Freddie Mac in connection with a Transfer of Ownership, as indicated in Chapter 41SBL.

a. Preparing an underwriting package (04/30/19)

At the Seller's expense, the Seller must deliver the documents to Freddie Mac and remit any required fees to Freddie Mac by wire transfer, subject to Freddie Mac's approval.

The Seller must obtain wire transfer instructions from the *Applicable Freddie Mac Multifamily Regional Office*.

The Seller 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 in Production or Underwriting, and the Freddie Mac loan number.

With respect to each delivery

- The Seller must deliver the documents simultaneously.
- The Seller may not make any changes to forms prescribed by Freddie Mac without prior written authorization from Freddie Mac.

If the delivery is incomplete, if the documents have not been properly prepared, or if the documents do not, or the delivery does not, otherwise conform to Freddie Mac requirements, Freddie Mac cannot process the package.

b. Preparing documentation required for a Transfer of Ownership (06/29/17)

Instructions for the preparation of documentation for a Transfer of Ownership can be found in Chapter 41SBL.

55SBL.2 Requirements for documents contained in the underwriting package or documents relating to a Transfer of Ownership (12/15/20)

Document	Requirements
<p>Access easement and Essential Facilities and/or Recreational Facilities easement documentation</p>	<p>The Seller must provide Freddie Mac with the following documentation:</p> <ul style="list-style-type: none"> • If the Property shares primary ingress and/or egress with adjacent or neighboring properties <ul style="list-style-type: none"> ○ Documentation in accordance with Section 8SBL.6 ○ A PLIM, if required by Freddie Mac ○ A copy of the survey if required for the Mortgage and photographs showing the location of the access easement and signage, if applicable ○ An opinion from a land use attorney acceptable to Freddie Mac, if requested by Freddie Mac • If the Essential Facilities and/or Recreational Facilities are located off-site (including another phase of a phased development) and are not under the exclusive control of the owner <ul style="list-style-type: none"> ○ Documentation in accordance with Section 8SBL.6 ○ A PLIM, if required by Freddie Mac • See also “confirmation of or a request for approval of shared facilities or access”.
<p>Appraisal</p>	<p>The Seller must provide Freddie Mac with a full Appraisal of the Property that meets the requirements of Chapter 60.</p> <p>The Property value determined in the Appraisal must be no less than the Property value determined by Freddie Mac and the report must meet all Freddie Mac requirements and underwriting conditions.</p>
<p>Blanket Certification for property financial statements and rent rolls</p>	<p>The property financial statements and the rent rolls must be certified through a Blanket Certification, which must bear the following statement, executed by an individual who is authorized to legally bind the Borrower:</p> <p>I hereby certify that the property financial statements and rent rolls are complete and accurate representations of the operating</p>

Document	Requirements
	<p>history of the [Property name] as of the date of the statements, and I am duly authorized to bind the Borrower to this certification.”</p> <p>Historical financial statement due dates:</p> <p>Current financial statement due dates:</p> <p>Borrower’s budget financial statement dates:</p> <p>Rent roll dates:</p> <p>Borrower:</p> <p><u>[Signature]</u></p> <p>[Printed Name and Title of Signatory]</p> <p>The Blanket Certification is not required until due diligence is complete but it must be submitted prior to rate-lock.</p>
<p>Borrower and Borrower Principal Certificate, Form 1115 – SBL</p>	<p>If any Borrower or Required Borrower Principal is organized as of the date of submission of the applicable package, the Seller must provide Freddie Mac with a Form 1115-SBL, Borrower and Borrower Principal Certificate, executed by each individual Borrower or Required Borrower Principal.</p> <p>Form 1115-SBL requests certification of the following information from Borrowers and Required Borrower Principals:</p> <ol style="list-style-type: none"> 1. Current financial condition 2. Past mortgage payment and default experience 3. History of criminal and/or administrative proceedings 4. List of all contingent liabilities, including a description and amount

Document	Requirements
	<p>Each Certificate must be dated not more than 60 days prior to the date the Seller submits the underwriting package to Freddie Mac (“Submission Date”).</p> <p>For Borrowers or Required Borrower Principals organized after the date of submission of the underwriting package, the Certificate and Schedule A or Schedule B (as applicable) must be provided as soon as possible after such entity’s formation.</p>
Borrower’s budgeted property financial statements	See “property financial statements”.
Breakdown of construction costs	<p>For a Property that was built by the Borrower less than one year before the submission of the underwriting package, the Seller must submit to Freddie Mac a breakdown of construction costs.</p> <p>For current or planned construction, see “capital improvement documentation”.</p>
Calculation of prepayment premium	For a Mortgage being used to refinance an existing Freddie Mac Mortgage, the Seller must provide to Freddie Mac a calculation of the prepayment premium payable with respect to the Mortgage being refinanced.
Capital improvement documentation	<p>The Seller must submit:</p> <ul style="list-style-type: none"> • For current or planned construction on the Property, a summary of all current or planned construction and the projected costs of the construction • For any major past renovations, a summary of these renovations and documentation concerning the costs
Certification — Organizational Chart, Form 1114	A certification that the Organizational Chart is accurate and all owners with a 25 percent or more interest and all Non-U.S. Equity Owners and Control are shown on the organizational chart. If prior to the loan origination or Transfer of Interests the Organizational Chart becomes inaccurate, the Seller must submit a revised Organizational Chart along with a new Form 1114, Certification – Organizational Chart.

Document	Requirements
Certified Organizational Chart	An Organizational Chart that is certified using Certification – Organizational Chart, Form 1114.
Commercial lease documentation	<p>The Seller must provide to Freddie Mac complete copies (with all amendments) of all commercial leases for the Property.</p> <p>To the extent requested by Freddie Mac, the Seller must provide separate income and expense analyses for the residential and commercial lease portions of the Property’s income.</p> <p>The Seller must provide a completed Commercial Lease Analysis and Estoppel – SBL for each lease. If the income from a single commercial lease is five percent or more of the gross potential rent of the Property, or if otherwise requested by Freddie Mac, Seller must have the tenant execute the estoppel portion of the Commercial Lease Analysis and Estoppel – SBL.</p> <p>The Commercial Leases Analysis and Estoppel – SBL form is available on FreddieMac.com.</p> <p>See Section 8SBL.11 for commercial lease SNDAs and subordinations; see Section 8SBL.2(b) for commercial use requirements.</p>
Complete Borrower/Borrower Principal Due Diligence Package	A Complete Borrower/Borrower Principal Due Diligence Package consists of Form 1115SBL, SBL Borrower and Borrower Principal Certificate; Form 1116, Real Estate Schedule; certified current financial statements for the Borrower and Required Borrower Principals and a credit report for required Borrower Principals that are individuals. It is submitted as part of the underwriting package to Freddie Mac.
Condominium Analysis	If the Property is subject to a condominium regime, the Seller must confirm in the Mortgage Transaction Narrative Analysis that the Borrower owns 100 percent of the real property that is subject to the Condominium regime.
Confirmation of compliance or a request for approval of shared facilities or access	If any on-site or off-site facilities or access are shared and if Freddie Mac requests a PLIM, the Seller must submit in a PLIM a confirmation that any such sharing arrangement meets the requirements of Section 8SBL.6.

Document	Requirements
<p>Credit reports</p>	<p>The Seller must provide to Freddie Mac a current credit report on each Borrower and each Required Borrower Principal that is an individual. A credit report is not required for entities or foreign sponsors with no Social Security number. The subject of each report must have authorized the Seller to obtain the report and the report must</p> <ol style="list-style-type: none"> 1. Be reviewed by the Seller 2. Be issued by an independent credit reporting agency acceptable to Freddie Mac 3. Be dated within 60 days before delivery to Freddie Mac 4. Verify debts listed on the financial statement submitted with the full underwriting package, including terms, balances and ratings 5. List any other debts 6. List all legal actions that involve the Borrower or Borrower Principal and are disclosed by a search of public records 7. Include FICO scores for Borrowers and Borrower Principals.
<p>Current property financial statements</p>	<p>See “property financial statements”.</p>
<p>Delegated property inspection letter</p>	<p>See “property inspection documentation”.</p>
<p>Document analysis by Seller’s counsel</p>	<p>The Seller must provide an analysis by Seller’s counsel of certain legal documents affecting the Property, as described in Section 6SBL.10.</p>
<p>Equity Conflict of Interest statement</p>	<p>If an Equity Conflict of Interest exists, as defined in Section 2.25, the Seller must disclose the nature and extent of the conflict in writing to Freddie Mac.</p>
<p>Evidence of Insurance</p>	<p>The Seller must submit the following to Freddie Mac to verify that the Property has, or will have as of the Freddie Mac Funding Date, adequate property damage and liability insurance as required by the Purchase and Servicing Documents:</p>

Document	Requirements
	<ul style="list-style-type: none"> • Fully completed Form 1133, Seller/Servicer Certification of Insurance Coverage via the Insurance Compliance Tool (ICT) • The documents listed in Sections 31.20(a) and 31.20(b), as applicable <p>For an underwriting package pertaining to the refinance of an existing mortgage not owned by Freddie Mac, prior to the Origination Date of the Mortgage, the mortgagee or mortgage holders clause and additional insured clause must be changed to reflect the requirements of the Guide.</p>
<p>Evidence of Tax Abatement</p>	<p>For Properties benefiting from real estate tax abatements, including payment in lieu of taxes (PILOT), the Seller must provide documentation from the taxing authority or the governing body confirming:</p> <ul style="list-style-type: none"> • That the Property or the Borrower, as applicable, has qualified for the Tax Abatement • The amount of annual tax to be paid, if any • The term of the Tax Abatement • Any other requirements of the Tax Abatement <p>See Section I of the Tax Abatement/Exemption/PILOT Questionnaire for additional details concerning the documentation to be provided in the underwriting package for all tax abatements.</p> <p>If the tax abatement program has not previously been approved by Freddie Mac, or has materially changed since the tax abatement was approved by Freddie Mac, the Seller/Servicer must include the items specified in Section II of the Tax Abatement/Exemption/PILOT Questionnaire in the underwriting package.</p> <p>The Tax Abatement/Exemption/PILOT Questionnaire is found on the legal document pages of FreddieMac.com.</p>

Document	Requirements
<p>Financial statements of Borrower and Required Borrower Principals – certified</p>	<p>The Seller is required to submit to Freddie Mac financial statements from the Borrower and any Required Borrower Principal that is not a newly formed entity</p> <p>Each financial statement must include the following:</p> <ul style="list-style-type: none"> • Current certified financial statements (dated within six months of delivery of the full underwriting package), including a balance sheet, for the Borrower and each Required Borrower Principal • Federal income tax returns for the Borrower for the most recent taxable year, if requested <p>NOTE: Freddie Mac may require additional financial statements or federal income tax returns for the three most recent taxable years from the Borrower and each Required Borrower Principal in Freddie Mac's sole discretion.</p> <p>If the financial statements are audited, the financial statements must include a statement of changes in financial position and all notes. If audited financial statements are not available, the party whose finances are summarized by the statement must certify that the statements are complete and accurate.</p> <p>In addition, the Seller must provide a list of:</p> <ul style="list-style-type: none"> • All other non-real estate assets, including the market value of each asset, the basis for calculating the value and any note receivables from related entities • All liabilities and contingent liabilities, including debts under lines or letters of credit, personal guaranties, obligations to limited partnerships and other obligations payable in the future, including the amount and duration of the obligation • Any factors that may materially affect the Borrower or Required Borrower Principal's financial position immediately or during the term of the Mortgage <p>The Seller must review the Borrower financial statements. Financial statements for which Freddie Mac requires certification must bear the following statement, executed by an</p>

Document	Requirements
	<p>individual who is authorized to legally bind the Borrower or Required Borrower Principal:</p> <p>I hereby certify that these financial statements are complete and accurate representations of the financial condition of [Name of Individual or Entity] as of the date of the statements [if financial statement is for an entity: and I am duly authorized to bind that entity this certification].</p> <p><u>Non-profit Borrower or Required Borrower Principal</u></p> <p>If the Borrower or Required Borrower Principal is a non-profit, the Seller must identify whether the non-profit Borrower’s or Required Borrower Principal’s primary funding sources are from fees on development projects or from competitive sources such as public funding, grants, gifts, or donations that may be subject to budget constraints.</p>
Financial statements – property	See “property financial statements”.
Flood zone determination (FZD)	The Seller must provide to Freddie Mac a flood zone determination (FZD) meeting the requirements of Section 31.8(b)
Ground lease documentation	<p>For a Property subject to a ground lease, the Seller must provide to Freddie Mac all the following, with a copy of each to the applicable Single Counsel (see Chapter 30).</p> <ul style="list-style-type: none"> • A copy of the ground lease and all existing amendments • A summary by Single Counsel of any items from the Ground Lease Analysis form (available on FreddieMac.com) that are not satisfied and the risks associated with each non-compliant item • Written confirmation that the fee owner is willing to execute the Security Instrument to encumber its interest • Any other items required by Chapter 30
Historical property financial statements	See “property financial statements”.

Document	Requirements
<p>Housing Assistance Payments (HAP) contract -- Local</p>	<p>The Seller must provide, if applicable:</p> <ul style="list-style-type: none"> • Copies of the original contract along with all amendments and renewals, including evidence of the currently applicable unit rents approved by the local administering agency • Summary of the contract terms by Single Counsel (see the Section 8 Housing Assistance Payments Contract Questionnaire, available on FreddieMac.com, for guidance) <p>See “rent, income and use restriction documentation”.</p>
<p>Land Use Restriction Agreement (LURA)/ regulatory agreement</p>	<p>A copy of the applicable regulatory agreement imposing tenancy, occupancy and other operating and use restrictions on the Property, along with a Regulatory Agreement Questionnaire – SBL (available on FreddieMac.com).</p> <p>See also “rent, income and use restriction documentation”.</p>
<p>Low-Income Housing Tax Credit (LIHTC) allocation and certification documentation</p>	<p>The Seller must provide a copy of:</p> <ul style="list-style-type: none"> • The allocation letter • The Low-Income Housing Credit Allocation and Certification, IRS Form 8609, used to obtain a housing credit allocation from the housing credit agency when a Property is placed into service • The Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, IRS Form 8823, if any, that was used to notify the Internal Revenue Service of noncompliance with the requirements of Internal Revenue Code (IRC) §42 from both the property manager and the Borrower Principal. <p>In addition, the Seller must obtain from the property manager and the Borrower a report of any unresolved issues with State allocating agencies on existing LIHTC properties.</p> <p>See also “rent, income and use restriction documentation”.</p>
<p>Management plan or management agreement</p>	<ul style="list-style-type: none"> • The Seller must obtain the total amount of the management fee as a percentage of effective gross income (EGI), which

Document	Requirements
	<p>Freddie Mac will evaluate during the underwriting of the Mortgage.</p> <ul style="list-style-type: none"> • If the Property is managed by the Borrower or the Borrower Principal, the Seller must review the Borrower’s management plan. • If a management firm is managing the Property, the Seller must review a copy of the management agreement for the Property. • The management agreement must be terminable by the property owner upon not more than 30 days’ notice to the manager without the necessity of establishing cause for termination and without payment of a penalty or fee.
<p>Moisture Management Plan</p>	<p>When required, the Seller must provide a copy of the Property’s Moisture Management Plan meeting the requirements of Section 8SBL.3(a), as applicable.</p> <p>If a Moisture Management plan is required but not yet available, it must be submitted with the final delivery package.</p>
<p>Mortgage transaction narrative analysis</p>	<p>The Seller must provide to Freddie Mac a mortgage transaction narrative analysis, which (at the Seller's option) may be based on the Mortgage Transaction Narrative Analysis – Best Practices available on FreddieMac.com.</p> <p>The mortgage transaction narrative analysis must contain the following:</p> <ol style="list-style-type: none"> 1. Characteristics of the proposed Mortgage that make it an investment quality Mortgage, risk factors and the reasons the Seller recommends the Mortgage 2. Property's physical description, including full address with zip code (including amenities, unit features and general competitive advantages and disadvantages) 3. Property's financial analysis (profile and trend) 4. Evaluation of balloon risk that includes the Borrower's ability to pay the unpaid principal balance (UPB) of the new

Document	Requirements
	<p>Mortgage at maturity</p> <ol style="list-style-type: none"> 5. Surrounding property uses and physical condition, public facilities, shopping facilities and sources of employment 6. Market analysis (occupancy, supply and concessions) 7. History of the Borrower's equity investment in the Property and the Borrower's proposed use of Mortgage proceeds 8. Description of the Borrower, including a description of the borrowing entity, the Borrower's organizational chart and a summary of the qualifications of the Borrower and all Borrower Principals, including an estimate of the financial capacity of each (that is, estimated net worth, liquidity and contingent liabilities) 9. Description of property manager, including a summary of the qualifications of the proposed property manager, the number of units managed, how long it has managed the Property and the amount of the management fee 10. Review of third-party reports, including the Seller/Service's reviews of and comments on the Appraisal, environmental and property condition reports (with full underwriting packages only) 11. Loan history if there is an existing mortgage on the Property 12. Proposed sources and uses of funds 13. Information on tenancy characteristics or employer concentration (including whether tenants are primarily elderly, singles or families and whether there is a student or military population) 14. Cash equity at risk 15. Refinance Analysis on SBL Mortgages that are refinances exceeding the existing unpaid principal balance 16. Any exception requests

Document	Requirements
	<p>17. Name of any Borrower Principal the meet the definition of a Pass-through Entity provided in the Glossary</p> <p>The mortgage transaction narrative analysis may also include the property inspection documentation described in Section 8SBL.15(a), as applicable.</p> <p><u>In addition to items 1 – 16 above, for a Mortgage securing a Property subject to a condominium regime:</u></p> <p>See “Condominium Analysis”</p>
<p>Operation & Management (O&M) Program</p>	<p>If required, the Seller must provide a copy of an O&M program for</p> <ul style="list-style-type: none"> • Lead-based paint (see Section 61.4(c)) • Asbestos (see Section 61.6(f)) • Underground storage tanks (see Section 61.8(d)) • Other, as applicable (see Chapter 61)
<p>Organizational Charts – Borrower, Guarantor (not in Borrower’s organizational structure)</p>	<p>For any entity that is a Borrower, or a Guarantor not in the Borrower’s organizational structure, the Seller must submit to Freddie Mac an organizational chart showing the direct and indirect ownership for that entity identifying any individual or entity:</p> <ul style="list-style-type: none"> • With 25 percent or greater aggregate direct or indirect interest in Borrower or a Guarantor (not in the Borrower’s organizational structure) including beneficial interests in a Delaware Statutory Trust or Illinois Land Trust • That is a Non-U.S. Equity Holder • That directly or indirectly Controls Borrower or Guarantor (not in Borrower’s organizational structure) including any general partner, managing member, non-managing member, member of a board of managers, settlor/trustee of a living trust or revocable trust or trustee of an irrevocable trust

Document	Requirements
	<p>100 percent of the ownership interest in Borrower must be shown.</p> <p>The Seller/Service’s counsel must review the Organizational Chart.</p> <p>See Guidance – Organizational Charts on FreddieMac.com.</p>
Payroll schedule	<p>The Seller must provide a current schedule of payroll expenses associated with the operation of the on-site leadership team at the Property, including salary, wages, bonuses, net pay and deductions.</p>
Physical Risk Report	<p>See SBL Physical Risk Report, Form 1104.</p>
Preliminary legal issues memorandum (PLIM)	<p>The Seller must submit to Freddie Mac a preliminary legal issues memorandum meeting the requirements of Section 6SBL.7, if required for a specified issue.</p>
Property financial statements	<p>The Seller must provide to Freddie Mac financial statements for the Property as follows:</p> <ul style="list-style-type: none"> • Historical property financial statements <p>The Seller/Service must submit a certified operating statement that includes the prior three full years. However, if a Year 3 statement is not available, the Seller/Service must submit</p> <ul style="list-style-type: none"> • Year 1 back statement, and • Year 2 back statement, if available • Current property financial statements (T-12 format or YTD) <p>Freddie Mac strongly prefers the Seller/Service to submit a T-12 operating statement. However, if a T-12 operating statement is not available, the Seller/Service must submit a YTD statement.</p>

Document	Requirements
	<ul style="list-style-type: none"> <p>Monthly Collections</p> <p>Six months trailing monthly property collections are required if the loan request is a refinance. Three months trailing monthly property collections are required if the loan request is an acquisition.</p> <p>Borrower’s budgeted property financial statements</p> <p>The Borrower’s budget for the following 12-month period, certified by the Borrower as complete and accurate via the Blanket Certification, if available.</p> <p>The Seller must review the property financial statements, which must include income and expense statements.</p> <p>See the Blanket Certification for instructions on preparing the certification of the property financial statements.</p> <p>If the financial statements are audited, they must include a statement of changes in financial position and all notes.</p>
<p>Property inspection and Lease Audit documentation</p>	<p>At full underwriting, the Seller must complete and document the property inspection described in 8SBL.15.</p> <p>The inspection requirements must be completed within 120 days of Freddie Mac’s receipt of the applicable underwriting package.</p> <p>If Freddie Mac has delegated the property inspection to the Seller, the Seller must acknowledge this delegation on the Property Inspection and Lease Audit form.</p> <p>See Section 8SBL.15 for additional information regarding property inspection requirements.</p>
<p>Purchase agreement and analysis</p>	<p>If the Borrower is acquiring the Property, the Seller must submit to Freddie Mac a copy of the purchase agreement and all amendments, plus a purchase agreement analysis, to include the following:</p>

Document	Requirements
	<ol style="list-style-type: none"> 1. Calculation of the purchase price, taking into account any <ul style="list-style-type: none"> • Contingency reductions • Changes to the price predicated on changes in the closing date • Material noncustomary adjustments to closing costs, closing credits, fees (specifically excluding allocations for title insurance, survey costs, brokers' fees, recording taxes and per diem rent, utility or insurance costs) 2. Identification of the scheduled closing date, together with options to extend 3. Analysis of all amendments 4. Confirmation that the purchase agreement and all amendments have been completed and signed 5. Identification of any contingencies or confirmation that none exist 6. Identification of any post-closing escrows to be posted by the property seller or the Borrower 7. Analysis of any environmental hazards, zoning or property conditions identified in the purchase agreement 8. Certification from the Borrower that there are not any due diligence items in the purchase agreement that have not been revealed and that Borrower acknowledges and agrees that Freddie Mac will not be deemed to have knowledge of any hazardous conditions, zoning issues or property condition issues merely by its possession of the purchase agreement
<p>Real Estate Schedule, Form 1116</p>	<p>The Seller must provide to Freddie Mac a Form 1116, Real Estate Schedule, for all real estate in which any Required Borrower Principal that is not newly formed currently has a direct or indirect interest.</p>

Document	Requirements
	<p>The Real Estate Schedule must be dated within 180 days from the date of submission of the underwriting package and certified by the Required Borrower Principal as complete and accurate.</p> <p>The Required Borrower Principal must</p> <ul style="list-style-type: none"> • Provide a written explanation of any non-performing assets in its portfolio • State whether the Required Borrower Principal owns and manages other properties in the market where the Property is located
Real estate tax bill	<p>If the Borrower is acquiring the Property, the Seller must provide to Freddie Mac a copy of the most recent real estate tax bill from the Property's local taxing authority.</p>
Registration of rental units (rent regulation/rent control/stabilization)	<p>The Seller must provide to Freddie Mac proof of compliance with any applicable State or local requirement for the registration of rents, including evidence of the current registered rent for each unit in the Property. Freddie Mac may require similar proof of compliance with such requirements for prior years and may require other evidence of compliance with State or local rent control or stabilization laws.</p> <p>If applicable, the Seller must also provide to Freddie Mac a copy of the most current rent registration filed with the regulating governmental authority, together with evidence of filing with or acceptance by the authority. The rent registration must be reviewed by the Seller. Examples include:</p> <ul style="list-style-type: none"> • Annual DHCR and EPTA rent rolls in New York • Annual rent registrations in New Jersey <p>Freddie Mac may require similar proof of compliance with such requirements for prior years and may require other evidence of compliance with State or local rent control or stabilization laws.</p>
Rent, income and use restriction documentation	<p>The Seller must provide copies of any existing regulatory agreements (including any amendments) creating tenant income, rent or other operating or use restrictions for the Property.</p>

Document	Requirements
	<p>If applicable, see also:</p> <ul style="list-style-type: none"> • Land Use Restriction Agreement (LURA)/Regulatory Agreement (for LIHTC) • Low-Income Housing Tax Credit (LIHTC) allocation and certification documentation • Housing Assistance Payments (HAP) - Local contract • Registration of rental units (rent control/stabilization)
Refinance Analysis	<p>If applicable, the following documentation may be required for SBL Mortgages that are refinances exceeding the existing unpaid principal balance.</p> <ul style="list-style-type: none"> • Refinance Analysis • Three months of bank statements showing rental deposits • Rent roll verifying net residential income (NRI) growth • Evidence of capital expenditures completed or construction, including: <ul style="list-style-type: none"> ○ Photos ○ Schedule of completion ○ Paid receipts/contracts ○ Building permits ○ Post-completion inspection reports ○ Additional evidence required by Lender
Rent roll	<p>The Seller must review and provide to Freddie Mac a rent roll that meets the following requirements. An optional Rent Roll Template can be found on FreddieMac.com at https://mf.freddiemac.com/docs/rent_roll_template.xls.</p> <ul style="list-style-type: none"> • Is dated within seven days of the underwriting package submission • Is complete with respect to the required information below for each unit <ol style="list-style-type: none"> 1. Tenant's name(s) 2. Unit number or identification 3. Unit type (number of bedrooms and bathrooms)

Document	Requirements
	<ol style="list-style-type: none"> 4. Square footage of each unit 5. Occupancy status by unit 6. Identification of any employee units, model units, and units used as rental offices 7. Monthly contract rent 8. Concessions, rebates or discounts given to tenant, if applicable 9. Arrearages owed by tenant, if any 10. Subsidies, if applicable (specify type) 11. Rent controlled or rent stabilized, if applicable 12. Original occupancy date, per tenant 13. Lease commencement date 14. Lease expiration date and renewal options, if any 15. Month-to-month status, per tenant 16. Amount of security deposit held 17. Furnished or unfurnished status
Residential lease sample	<p>Freddie Mac requires the property inspector to upload, to DMS as part of the required Property inspection documentation, a sample or unexecuted residential lease or an executed residential lease.</p>
SBL Physical Risk Report – Form 1104	<p>Seller must provide to Freddie Mac a completed Form 1104, SBL Physical Risk Report, meeting the requirements of Chapter 62SBL.</p>
Seismic risk documentation	<p>If a Property is in an Elevated Seismic Hazard Region, the Seller must provide to Freddie Mac a Seismic Risk Assessment (SRA) and a copy of the Peak Ground Acceleration (PGA) calculation obtained from the United States Geological Survey (USGS) website, as required by Section 64SBL.2(b), as applicable. If a Level 1 SRA is required the Seller must also provide to Freddie Mac Form 1102, Seismic Risk Assessment Summary.</p>
Seller's mortgage loan application with Borrower	<p>Seller must provide to Freddie Mac a copy of the mortgage loan application executed by the Borrower and submitted to the Seller. The application must evidence all material terms of the proposed mortgage financing.</p> <p>The mortgage loan application must include the following authorization by the Borrower:</p>

Document	Requirements
	<p>“The Borrower understands that [Name of Seller] intends to sell the mortgage loan for which Borrower is applying (the "Mortgage") to Freddie Mac. If Freddie Mac purchases the Mortgage, the Borrower's signature below constitutes the Borrower's authorization for Freddie Mac to publicly use, at Freddie Mac's discretion, the name of the Property, photographs of the Property, and basic transaction information (for example, the number of units in the Property, the loan amount, etc.) relating to the Mortgage.”</p> <p>The mortgage loan application must also include the following acknowledgements by the Borrower:</p> <ul style="list-style-type: none"> • “The Borrower understands that subsequent to the closing of the Mortgage, Freddie Mac may require regular financial statements from the Borrower outlining the Property’s financial performance.” • “The Borrower acknowledges that this Mortgage will be sold to Freddie Mac and that Freddie Mac may sell this Mortgage into a commercial mortgage-backed securitization or similar type execution and may not hold this Mortgage in Freddie Mac’s portfolio.”
<p>Seller's pro forma property financial statements</p>	<p>The Seller must prepare the Seller's pro forma property financial statements for the next 12 months. The statements must include historical and year-to-date annualized income and expense information for comparison purposes.</p>
<p>Sources and uses</p>	<p>The Seller must provide details about a transaction’s cash inflows (sources) and outflows (uses) at the time the Mortgage is funded, to enable an underwriter to understand the cash sources of the transaction and how the proceeds from the Mortgage will be used to finance the transaction.</p> <p>For SBL Mortgages that are refinances exceeding the existing unpaid principal balance, the sources and uses must include the existing debt and prepayment premiums or penalties associated with the existing loan payoff. Verification to support this request is required and can be in the form of a mortgage payoff or mortgage statement.</p>

Document	Requirements
Student Housing Questionnaire, Form 1120	The Seller must submit to Freddie Mac a completed and executed Form 1120, Student Housing Questionnaire, for each Property where the concentration of graduate and undergraduate Students is greater than 25 percent.
Zoning documentation	See Guide Section 8SBL.5 for complete requirements.