



## Definitions

**Borrower** means the party obligated to repay the indebtedness secured by the Property. The Borrower must, in Freddie Mac's judgment, have sufficient financial, operational and management capacity. Acceptable Borrowers are described in Section 9.2 of the *Multifamily Seller/Service Guide*.

**Control** means the power to manage, control or direct the decisions of an entity.

**Conviction** means any (a) judgment or any other determination of guilt of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or plea; or (b) any other resolution that is the functional equivalent of a judgment of guilt of a criminal offense, including probation before judgment and deferred prosecution. This includes nolo contendere (no contest) pleas, Alford pleas, and pardons not resulting in an expungement of the conviction. A disposition without the participation of a court is the functional equivalent of a judgment only if it includes an admission of guilt. Previous convictions that have been expunged by the date of this Certificate will not be considered Convictions for purposes of completing this Certificate.

**Guarantor** means any person or entity who signs the Guaranty to evidence that it will be liable for recourse events for the Mortgage.

**Key Borrower Principal** means individuals or entities as defined in the *Multifamily Seller/Service Guide*.

**Master Tenant** means the tenant that operates the Property under a master lease. A master lease structure is usually used in a Shariah compliant loan or Delaware Statutory Trust loan.

**Operator** (sometimes referred to as the "Lessee") means an entity that operates the Property under a master operating lease. Operating leases are frequently used in the Seniors Housing industry. An Operator may be affiliated with the Borrower or may be an unrelated third-party Operator.

**Pre-Approved Transferee** means any person or entity that is pre-approved by lender to assume Ultimate Control (direct or indirect) of Borrower, Borrower-affiliated Seniors Housing Operator, or Borrower-affiliated Master Tenant.

**Related Entity** means an entity (other than Borrower) in which the applicable Key Borrower Principal has (1) Control, or (2) an aggregate direct or indirect equity ownership of 50% or more.

**Seniors Housing Property** means Properties defined as such in the *Multifamily Seller/Service Guide*.

**Ultimate Control** means ultimate persons or entities that have Control (direct or indirect) of an entity. A party with Ultimate Control must be one of the following:

- An individual,
- Private Investment Fund as defined in the *Multifamily Seller/Service Guide*,
- A revocable trust (including the settlor/grantor and trustee of the revocable trust), or
- A U.S. public company (U.S. publicly traded entity)

## Instructions

Each Key Borrower Principal must complete and sign a separate Key Borrower Principal Certificate, Form 1115 ("Principal Certificate").

Each Certificate must be dated not more than 60 days prior to the date of submission of the underwriting package to Freddie Mac ("Submission Date").

Any Key Borrower Principal that is formed after the date of this Certificate must provide a new Certificate as soon as possible after its formation. Please consult lender if you have any questions concerning this Certificate.

Each of the following entities must complete the Key Borrower Principal Certificate, Form 1115 and certify the accuracy of each answer and any explanations provided in *Schedule - Key Borrower Principal*:

- Any Guarantor, regardless of the amount of ownership interest in the Borrower and even if not in the organizational structure of the Borrower
- Any person or entity that has Ultimate Control (direct or indirect) of the Borrower, Borrower-affiliated Operator of a Seniors Housing Property, or Borrower-affiliated Master Tenant
- Any Pre-Approved Transferee
- Any non-Controlling person or entity that meets both of the following conditions, including LIHTC Investors:
  - Has aggregate ownership (direct or indirect) of 50% or more in the Borrower, Borrower-affiliated Seniors Housing Operator, Borrower-affiliated Master Tenant, or pre-Approved Transferee
  - Is not owned by any other person or entity that also has aggregate ownership (direct or indirect) of 50% or more in the Borrower, Borrower-affiliated Seniors Housing Operator, Borrower-affiliated Master Tenant, or pre-Approved Transferee
  - If a trust meets the two conditions above, then:
    - The settlor (grantor) of a living or revocable trust
    - The beneficiary of an irrevocable trust if the beneficiary has aggregate ownership (direct or indirect) of 50% or more of the Borrower, Borrower-affiliated Seniors Housing, Operator, or Borrower-affiliated master tenant
- Any individual or entity that does not meet the criteria set forth above but who is determined by Freddie Mac to be a Key Borrower Principal. These may include individuals or entities defined as a Required Equity Owner in the Loan Agreement.

Refer to the Borrower Certificate, Form 1115 ("Borrower Certificate") for applicable parties.

## Property Information

For the Property that will secure the proposed loan, please provide:

Name of Property

Street Address

City

County

State

Zip Code

## Form Sections - Click to jump to Section

## Key Borrower Principal Information and Certification

If you are submitting this Certificate as or on behalf of a Key Borrower Principal, complete all Sections of *Schedule - Key Borrower Principal*, if applicable.

### Section A: General Key Borrower Principal Information

Name of Key Borrower Principal

Street Address

City

County

State

Zip Code

Is Key Borrower Principal an individual living outside of the U.S.?

☐ Yes ☐ No (If yes, please contact your lender)

Is Key Borrower Principal a trust or other investment vehicle controlled by or created on behalf of an Individual Retirement Account (IRA), pension fund, or other retirement investment fund?

☐ Yes ☐ No (If yes, please contact your lender)

If Key Borrower Principal owns a direct interest in Borrower, describe that ownership (general partner, managing member, joint venture partner, settlor, trustee, beneficiary) and list the percentage of Key Borrower Principal's ownership

\_\_\_\_\_ %

If Key Borrower Principal is an entity complete the following:

Tax ID Number:

State of Formation:

## Section B: Additional Key Borrower Principal Information

Answer all parts of each question and complete Schedule - Key Borrower Principal as necessary. If a question is not applicable, select "No" as answer.

### 1. Questions regarding criminal activity

- a. At any time prior to the date of this Certificate, has Key Borrower Principal or any Related Entity been subject to a claim in any litigation or other proceeding (even if such claim has been settled) relating to (i) fraud, breach of fiduciary duty, breach of trust, or other similar claim, or (ii) money laundering, terrorist financing, terrorism or other similar claim, or been investigated by any governmental agency in connection with such a claim?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 1a)

- b. Within the past 10 years prior to the date of this Certificate, has Key Borrower Principal ever been Convicted of a felony, or is Key Borrower Principal presently, to your knowledge, the subject of a complaint or indictment charging a felony?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 1b)

### 2. Questions regarding credit events within the past 10 years prior to the date of this Certificate

- a. Has Key Borrower Principal or any Related Entity been in default, involved in a foreclosure or been given relief by any lender, including Freddie Mac (i.e., by modification, workout, forbearance) under the terms of any mortgage loan, mezzanine loan, contract for deed or similar arrangement?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 2a)

- b. Has Key Borrower Principal or any Related Entity been the subject of bankruptcy or insolvency proceedings?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 2b)

- c. Has Key Borrower Principal or any Related Entity been a guarantor (including a recourse carve-out guarantor) of a loan where the lender tried to recover, made a demand or otherwise enforced their rights under your guaranty (even if lender was not successful)?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 2c)

### 3. Questions regarding regulatory compliance and litigation

- a. Within the past 10 years prior to the date of this Certificate, has Key Borrower Principal or any Related Entity been suspended, barred or otherwise restricted by any department or agency of the federal government or any state government from doing business with such department or agency?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 3a)

- b. Within the past 10 years prior to the date of this Certificate, has Key Borrower Principal been (i) the subject of an adverse ruling or finding in any criminal or civil proceeding instituted by any regulatory or governmental agency, regardless of appeal status, (ii) a party to a settlement that required an admission of guilt or liability, or the payment of a fine by Borrower in any criminal or civil proceeding instituted by any regulatory or governmental agency, regardless of appeal status, or (iii) otherwise under investigation by any governmental agency for a criminal or civil violation?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 3b)

- c. As of the date of this Certificate, to your knowledge, has Key Borrower Principal or any Related Entity been involved in any pending or current criminal or civil proceeding instituted by any governmental agency, or otherwise under investigation by any governmental agency for a criminal or civil violation?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 3c)

- d. Within the past 10 years prior to the date of this Certificate, have there been any judgments against Key Borrower Principal or any Related Entity?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 3d)

- e. Is Key Borrower Principal or any Related Entity subject to any unsatisfied (as to payment or performance) settlements or judgments regardless of the appeal status of any related claims or counterclaims?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 3e)

- f. As of the date of this Certificate, is Key Borrower Principal or any Related Entity named as a defendant in a lawsuit or otherwise subject to any other claims (including counterclaims) where the potential settlement, judgment, or other resolution would not be eligible to be fully paid by insurance (not including deductibles)?

☐ No ☐ Yes (If Yes, complete Schedule - Key Borrower Principal, Item 3f)

### 4. Question regarding Key Borrower Principal structure

- a. If Key Borrower Principal is an entity, as of the date of this Certificate are there any outstanding pledges of direct or indirect interests in Key Borrower Principal?

☐ No ☐ Yes ☐ N/A (If Yes, complete Schedule - Key Borrower Principal, Item 4a)

## Section C: Certification of Key Borrower Principal

To induce the lender to make the loan requested by Borrower, I hereby certify [check applicable capacity]

☐ for myself, or

☐ on behalf of the undersigned entity

(1) that if Key Borrower Principal is an entity, I am a duly authorized representative and (2) that each of the statements made in this Certificate and all information provided on the attached *Schedule - Key Borrower Principal* are true, complete and correct to the best of my knowledge and belief, and are made in good faith, and I represent that the Property will not be used for any illegal or restricted purposes.

By electronically signing this Form on behalf of my company, I hereby certify and agree that I have confirmed that my company has determined that my Electronic Signature complies with the requirements in Guide Section 2.14, and that my Electronic Signature on this Form shall be as binding, valid and enforceable as my original written signature on a paper original of this Form.

Name of Key Borrower Principal

Authorized Signature

Date

Typed Name of Signer

Title of Signer (if Key Borrower Principal is an entity)

### Schedule - Key Borrower Principal: Additional Key Borrower Principal Information Supplement

Key Borrower Principal must supplement the answer to each question answered "Yes" in *Section B* of the Certificate. Attach separate sheets to provide the following information:

Item 1a (Question 1a): For each claim and/or, proceeding and/or investigation, provide

- Date of filing
- Location of case
- Nature of claim or proceeding
- If under investigation by a governmental agency, provide name of agency
- Status of case
- Attach paper copy of any final decision or settlement agreement

Item 1b (Question 1b): A felony is defined as any offense punishable by imprisonment for a term exceeding one year but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less. For each qualifying felony offense, provide

- Date of Conviction, complaint and/or indictment
- Nature of Conviction, complaint and/or indictment (together with detailed description of circumstances that gave rise to the Conviction, complaint and/or indictment)
- Location of Conviction, complaint and/or indictment
- Status of Conviction, complaint and/or indictment
- If resolved, describe resolution

Item 2a (Question 2a): For each loan, list

- Project name and address
- Loan amount
- If with Freddie Mac, provide Freddie Mac loan number
- Ownership role and interest in the project
- Type and source of financing and any subsidy
- Full description of default, mortgage relief (modification, workout, forbearance) or foreclosures of any loan secured by the project
- Current status (if resolved, describe resolution)

Item 2b (Question 2b): For each bankruptcy or insolvency proceeding, provide

- Date of filing
- Location of case
- Type of case (e.g., Chapter 7, 11, 13)
- Disposition of case and date of disposition (attach a paper copy of discharge to form)
- Evidence that debts not discharged in the proceeding have been paid
- Explanation of circumstances resulting in the filing of the petition

Item 2c (Question 2c): For each recovery, demand or other type of enforcement proceeding under any guaranty, provide

- Name of Lender
- Date that the loan was made, the address of the property and amount of loan
- Was the demand against guarantor full recourse or loss or damage
- What was recourse event that gave rise to the demand
- Detailed description of claim made against guarantor
- If guarantor and lender have entered into a settlement:
  - Conditions of settlement (i.e., describe settlement agreement)
  - If there is an outstanding judgment, your plan for payment and satisfaction
- If not settled, provide status

Item 3a (Question 3a): For each governmental proceeding, provide

- Name of agency or government department
- Date of proceeding
- Description of nature of proceeding
- Resolution of proceeding
- Attach a paper copy of any final decision or findings

Item 3b, 3c (Question 3b, 3c): For each proceeding, violation, or investigation, provide

- Date of proceeding, violation or investigation
- Nature of proceeding, violation or investigation
- Agency that issued the proceeding/violation or performed the investigation
- Status of proceeding, violation or investigation
- If resolved, describe resolution and/or remediation

Item 3d (Question 3d): For each judgment, provide

- Date and amount of judgment
- Name of Judgment Debtor
- Action that gave rise to the judgment
- If the judgment has been satisfied/discharged
- Conditions of discharge/settlement (i.e., describe settlement agreement)
- If there is an outstanding judgment, your plan for payment and satisfaction

Item 3e (Question 3e): For each qualifying litigation matter, provide

- Date of filing
- Location of case
- Type of case (e.g., negligence, tort, etc.)
- Status of case
- Any outstanding amounts from settlements or judgments

Item 3f (Question 3f): For each qualifying litigation matter, provide

- Date of filing
- Location of case
- Type of case (e.g., negligence, tort, etc.)
- Status of case
- Amount of damages claimed

Item 4a (Question 4a): Provide a detailed description of the pledge, including the identity of the pledgee and the amount/nature of the debt secured by the pledge.