

## Small Balance Loan Inspection Scheduling Process

### Inspection Request Notice

With the onset of COVID-19, we limited in-person physical collateral inspections and relied on virtual or delegated inspections. Although virtual inspection technology has proven effective, it does not provide the personal touch we get with in-person inspections.

Knowing our market and having “boots on the ground” has always been one of our strengths and is a key component in building relationships with our lenders and borrowers. Therefore, we are amending the inspection process communicated in July 2020 to provide more advanced notice of the inspection and allow for more in-person inspections going forward.

Effective 11/11/2022, we will require a minimum of one-week lead time for Optigo® lenders to request an inspection date. The additional notice will allow adequate time for Freddie Mac to make travel arrangements for those properties. When available, two week’s advance notice would be preferred. Regardless of the amount of notice provided, Freddie Mac’s ability to confirm a requested inspection date will be limited by the availability of our staff. If staff is not available on the requested date and time, an alternate date or second inspection may be required. To avoid rescheduling or conducting multiple inspections, please include Freddie Mac as soon as possible.

### Rent Rolls

Previously, we required an inspection request to include a rent roll dated within seven calendar days. We are amending this requirement to allow for a rent roll dated within 45 calendar days of the inspection request. This is intended to allow lenders to use a rent roll already in their possession and reduce the number of rent roll updates requested of borrowers. This should also facilitate Freddie Mac being included earlier in the inspection scheduling process, along with appraisers and engineers.

Please remember that the *Freddie Mac Multifamily Seller/Servicer Guide* requires Freddie Mac to select the units being inspected. It is best practice for borrowers to provide notice to as many tenants as possible. In the absence of Freddie Mac attending, the unit selection is delegated to the Optigo® lender. Inspections that do not adhere to this requirement will be considered non-compliant.

### Effective 11/11/2022, please adhere to the process below:

- Prior to submitting an inspection request, the Optigo lender must create the required transaction folder in Freddie Mac’s Document Management System (DMS) by executing a partial B2B submission. The partial B2B submission must be completed at least two business days prior to initiating the inspection scheduling request.
- Once the transaction folder is available in DMS, the lender must upload a copy of any approved programmatic exceptions, and a rent roll for the property dated within **45 calendar days** of the inspection request. As noted below, a more current rent roll is required at least two business days prior to conducting the inspection.

- After verifying deal status in the Pipeline Management Tool (PMT) as “under app”, lenders must submit the inspection scheduling request by sending an email to the respective regional inspection mailbox with the completed [SBL Inspection Request Template](#).

[Western Region: we\\_inspections\\_sbl@freddiemac.com](mailto:we_inspections_sbl@freddiemac.com)

[North Central Region: nc\\_inspections\\_sbl@freddiemac.com](mailto:nc_inspections_sbl@freddiemac.com)

[South Central Region: sc\\_inspections\\_sbl@freddiemac.com](mailto:sc_inspections_sbl@freddiemac.com)

[Northeast Region: ne\\_inspections\\_sbl@freddiemac.com](mailto:ne_inspections_sbl@freddiemac.com)

[Southeast Region: se\\_inspections\\_sbl@freddiemac.com](mailto:se_inspections_sbl@freddiemac.com)

- A minimum of one-weeks’ notice is required for all inspection requests. Any inspection requests submitted with less than one-weeks’ notice will be handled on a case-by-case basis. For portfolios, a longer notice is recommended.

Once a date and time is coordinated, a confirmation calendar invitation will be sent with the name of the Freddie Mac inspector who will be attending. Please view the [Freddie Mac SBL Inspection Requirements – \(Guide Section 8 SBL.15\(b\)\)](#) prior to inspection.

- At least two business days prior to the inspection, the completed SBL Inspection Questionnaire and an updated rent roll dated within **seven business days** of the scheduled inspection must be provided to the Optigo lender and Freddie Mac for use in conducting and documenting the inspection.
- **Be sure to escalate any material issues noted during the inspection to your respective management teams and Freddie Mac contact immediately after the inspection is completed.**

Both the [SBL Inspection Questionnaire](#) and [SBL Inspection Request Template](#) are posted on the [Originate & Underwrite webpage](#) under References & Tools.

Thanks for partnering with us as we improve our business!