**[NOTE: USE THIS FORM FOR SMALL BALANCE LOANS. DO NOT USE THIS FORM FOR ANY CONVENTIONAL LOAN OR ANY LOAN THAT IS SECURITIZED IN A Q-DEAL OR SEASONED ML-DEAL. FOR A Q-DEAL OR SEASONED ML-DEAL LOAN, CONTACT FREDDIE MAC LEGAL.]**

**[NOTE: CONFIRM ALL LOAN DOCUMENT SECTION REFERENCES IN THIS FORM]**

[**Letterhead**]

**NOTICE OF DEFAULT[, COLLECTION OF RESERVES] AND RESERVATION OF RIGHTS**

[Date]

***VIA OVERNIGHT COURIER AND ELECTRONIC MAIL***

|  |  |
| --- | --- |
| **Borrower:** | **Guarantor:** |
| [Name]  [Street address]  [City, State ZIP]  Attention: [Notice Person]  [e-mail address] | [Name]  [Street address]  [City, State ZIP]  Attention: [Notice Person]  [e-mail address] |

|  |
| --- |
| **Guarantor:** |
| [Name]  [Street address]  [City, State ZIP]  Attention: [Notice Person]  [e-mail address] |

Re: Freddie Mac Loan Number: [**XXXXXXXXX**] (“**Loan**”)

[Servicer Loan Number: XXXXXXXX]

Property: [Property Name] (“**Property**”)

[Property Street]

[Property City, State ZIP]

Dear Borrower and Guarantor(s):

**[USE THIS FIRST PARAGRAPH FOR SECURITIZED LOANS]**

The Federal Home Loan Mortgage Corporation (“**Master Servicer**”) services the Loan on behalf of [Name of Trustee], as Trustee, for the benefit of holders of [Name of Depositor], Multifamily Mortgage Pass-Through Certificates, Series [20XX-XXXX] (“**Lender**”), the current owner of the Loan. Additional servicing duties for the Loan are handled by [Name of Primary Servicer] (“**Primary Servicer**,” together with Master Servicer, “**Servicer**”).

**[USE THIS FIRST PARAGRAPH FOR PORTFOLIO LOANS]**

[Name of Servicer] (“**Servicer**”) services the Loan on behalf of the Federal Home Loan Mortgage Corporation (“**Lender**” or “**Freddie Mac**”).

The Note, Security Instrument, Loan Agreement, Guaranty, and all other documents executed in connection with the Loan are referred to collectively in this notice as “**Loan Documents**”. Capitalized terms not defined in this notice have the meanings given to them in the Loan Documents.

Borrower has a strict obligation to comply with the terms of the Loan Documents. Borrower has failed to comply with the following provisions of the Loan Documents:

**[INSERT RELEVANT LOAN AGREEMENT OR NOTE SECTION(S) AND SUMMARY OF BORROWER OBLIGATION:]**

|  |  |
| --- | --- |
| **Loan Document Section** | **Summary of Borrower Obligation** |
| [Include for a payment default under the Note, otherwise delete:]  Note Section [\_\_] | [insert summary of Borrower’s obligation under the Note] |
| [Include for a default under the Loan Agreement, otherwise delete:]  Loan Agreement Section [\_\_] | [insert summary of Borrower’s obligation under the Loan Agreement] |
| [Add rows for additional defaults under the Note or Loan Agreement as needed.] |  |

Specifically, Borrower has [describe Borrower’s failure to comply. For outstanding payments/taxes/insurance premiums, state the amount outstanding, including any late charges/penalties]. Such noncompliance is a violation of Borrower’s obligations and constitutes a default under the Loan Agreement.

**[INSERT THE FOLLOWING FOR NONPAYMENT OF TAXES/VIOLATIONS OF SECTION 6.08(a) OF THE LOAN AGREEMENT OR NONPAYMENT OF INSURANCE PREMIUMS/VIOLATIONS OF SECTION 6.08(b)(ii) OF THE LOAN AGREEMENT; OTHERWISE DELETE.]**

Borrower is required to pay all outstanding [select the applicable outstanding payment type:][Insurance premiums][ and ][Taxes], including any interest, fines or penalties owed (“**Outstanding Payments**”) and submit proof of payment in full to Servicer no later than [insert date that is not more than 30 days after the date of this notice or final payment date provided in any applicable payment plan made in accordance with Freddie Mac guidance, and reference payment plan, if applicable]. Borrower and Guarantor may each be personally liable for Borrower's failure to make all Outstanding Payments as required. Borrower must pay interest on advances made by Lender to pay any outstanding Insurance premiums or Taxes at the Default Rate, pursuant to Section 8.02(b) of the Loan Agreement, and any costs incurred by Lender in advancing funds, pursuant to Section 8.03(a) of the Loan Agreement. **[INSERT THE FOLLOWING TO TRIGGER THE COLLECTION OF RESERVES FOR TAXES/INSURANCE, OTHERWISE DELETE:** Additionally, as described in Section 4.01(a) of the Loan Agreement, Lender is revoking its deferral of deposits to the Tax Reserve Fund and Insurance Reserve Fund and Borrower must start depositing monthly reserves for taxes and insurance on [insert second monthly installment due date following the date of this notice].**]**

**[INSERT THE FOLLOWING FOR PROPERTY CONDITION ISSUES/VIOLATIONS OF SECTION 6.09(a) OF THE LOAN AGREEMENT; OTHERWISE DELETE.]**

Borrower is required to bring itself back into compliance with the Loan Documents by remediating each of the following Property deficiencies to Lender’s satisfaction by the deadline specified below:

|  |  |
| --- | --- |
| **Deficiency** | **Deadline** |
| [Describe property condition issue. Add additional rows if needed.] | [for issues requiring immediate action to prevent harm to Lender, danger to tenants or third parties, or impairment of the Loan Documents, insert date that is fewer than 30 days after the date of this notice; otherwise, insert date that is 30 days after the date of this notice]  **[Note: when multiple property condition issues are listed, applicable deadlines may vary by issue.]** |
|  |  |
|  |  |

**[INSERT THE FOLLOWING FOR VIOLATIONS OF THE LOAN AGREEMENT NOT RELATED TO PROPERTY CONDITION OR NONPAYMENT OF TAXES OR INSURANCE; OTHERWISE DELETE.]**

Borrower is required to bring itself back into compliance with the Loan Documents by [insert action Borrower must take to cure the default] by [insert date that is 30 days after the date of this notice].

**[INSERT THE FOLLOWING TO TRIGGER THE COLLECTION OF THE CAPITAL REPLACEMENT AND REPAIR RESERVE MONTHLY DEPOSIT; OTHERWISE DELETE.]**

If Borrower fails to diligently commence to cure each of the above deficiencies by the required deadline, as described in Section 4.01(a) of the Loan Agreement, Lender will revoke its deferral of the Capital Replacement and Repair Reserve Monthly Deposit and Borrower must start depositing monthly reserves for replacements.

**[ALWAYS INSERT THE FOLLOWING:]**

Failure to comply with the above required actions within the stated timeframe(s) may result, or may have already resulted, in an Event of Default under the Loan Agreement.

While we are hopeful that this matter can be resolved quickly and to the satisfaction of the Lender by the above deadline, we must advise you that if it is not, Lender may have no choice but to exercise its rights and remedies under the Loan Documents, including: (1) accelerating of the Loan; (2) assessing default interest; (3) foreclosing on the Property; and (4) availing itself of any other rights and/or remedies available at law or equity.

Except as provided for above, nothing in this notice and no action or inaction by Lender or Servicer, including acceptance of monies due or performance by Borrower or Guarantor (if applicable) of any other obligation under the Loan Documents, will (i) relieve Borrower or Guarantor (if applicable) from any of their duties, obligations, covenants or agreements under the Loan Documents; (ii) amount to a waiver of any default by Borrower or Guarantor (if applicable) or limit the exercise of any right or remedy available to Lender; or (iii) modify the terms of the Loan Documents, all of which remain in full force and effect.

This notice is being transmitted to you only as a courtesy and does not mean that you or any other party are entitled to a written notice. ALL RIGHTS ARE HEREBY EXPRESSLY RESERVED.

If you have any questions regarding this matter, please contact [name] at [e-mail address] or [telephone number].

Sincerely,

[**Servicer contact**]

cc: [Master Servicer/Freddie Mac contact]