**SHORT FORM preliminary legal issues Memorandum form – SERVICING**

**(SBL assumptions AND TRANSFERS - SECURITIZED and non-securitized LOANs)**

**(Revised 10-4-2022)**

*NOTE: This short form Preliminary Legal Issues Memorandum (“****PLIM****”) should be used solely for SBL assumptions and transfers of interest pursuant to Article VII of the SBL Loan Agreement. Bold bracketed text* **[EXAMPLE]** *is instructional in nature and may be deleted from the final version of this PLIM.*

Single Counsel has prepared this PLIM in accordance with Sections 6SBL.7 and 41SBL of the Freddie Mac Multifamily Seller/Servicer Guide (“**Guide**”). This PLIM is not a legal opinion, and is furnished solely for use in Lender’s evaluation of the proposed assumption transaction (“**Borrower Request**”). Capitalized terms used but not defined in this PLIM will have the meanings given to them, as applicable, in (i) the Loan Documents for the Loan, (ii) the *Guide*, (iii) the Pooling and Servicing Agreement for the Securitization identified below (“**PSA**”), or (iv) the related Sub-Servicing Agreement between Master Servicer and Sub-Servicer (“**SSA**”).

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Property, Loan and Securitization Details** | | | | | | | | | | | |
| Property Name | | | | | | |  | | | | |
| Loan Number | | | | | | |  | | | | |
| Current Borrower  *(attach org chart as Exhibit A)* | | | | | | |  | | | | |
| Current Guarantor | | | | | | |  | | | | |
| Loan Origination Date  (“Closing Date”) | | | | | | |  | | | | |
| Maturity Date | | | | | | |  | | | | |
| Original Principal Balance | | | | | | |  | | | | |
|  | | | | | | | | | | | |
| Type of Proposed Transfer | | | | | | | Loan Assumption  100% Transfer of Interests  < 100% Transfer of Interests | | | | |
|  | | | | | | | | | | | |
| Proposed Borrower  *(attach org chart as Exhibit B)* | | | | | | | [Name or state “N/A”] | | | | |
| Proposed Guarantor(s) | | | | | | | [Name or state “N/A”] | | | | |
| Proposed Borrower  Organizational Structure | | | | | | | Single Asset Entity  Restricted Multiple Asset Entity  Revocable Trust  Tenancy in common (with multiple Co-Borrowers)  Co-Borrowers (not Tenancy in common)  Individual  N/A | | | | |
| Proposed Borrower Formation Date | | | | | | | [e.g., “to be formed” or “\_\_/\_\_/\_\_\_\_”]  [State “N/A” if Individual Borrower or Transfer of Interests] | | | | |
|  | | | | | | | | | | | |
| Proposed Property Manager | | | | | | | [Name or state “N/A”] | | | | |
| Proposed Property Management Structure | | | | | | | Self-managed by Borrower  Managed by a Property Manager that is an Affiliate of Borrower  Managed by a Property Manager that is not an Affiliate of Borrower  N/A | | | | |
|  | | | | | | | | | | | |
| Securitization Data | | | | | | | Securitized in SB-\_\_\_  Designated for SB-\_\_\_  Undesignated (designation information available in DMS) | | | | |
| Primary or Sub-Servicer  (“Servicer”) | | | | | | |  | | | | |
| Master Servicer | | | | | | | [Name or state “N/A”] | | | | |
| **Single Counsel** | | | | | | | | | | | |
| Attorney Name | | | | | | |  | | | | |
| Law Firm | | | | | | |  | | | | |
| Email & Phone | | | | | | |  | | | | |
| PLIM Preparation Date (and any revision dates) | | | | | | |  | | | | |
| **Loan Document Status** | | | | | | | | | | | |
|  | | | There have been no amendments/modifications to the Loan Documents since the Closing Date. | | | | | | | | |
|  | | | The Loan Documents have been amended or modified since the Closing Date as follows: [describe] | | | | | | | | |
| **Current Borrower Organizational Status** | | | | | | | | | | | |
|  | | | Current Borrower organizational structure has not changed since the Closing Date. The current organizational chart is attached as Exhibit A of this PLIM. | | | | | | | | |
|  | | | Current Borrower organizational structure has changed since the Closing Date as follows: [fully explain each intermediate transfer ultimately resulting in the changed organizational structure]  Both a current organizational chart and the organizational chart as of the Closing Date are attached as Exhibit A of this PLIM. | | | | | | | | |
| **Current Borrower/Guarantor Release** | | | | | | | | | | | |
|  | | | Current Borrower/Guarantor satisfies the conditions under Section 41SBL.4(b) for release from post-transfer environmental conditions, including a satisfactory updated Form 1104 (SBL Physical Risk Report). | | | | | | | | |
|  | | | Current Borrower/Guarantor does not satisfy the conditions under Section 41SBL.4(b) for release from post-transfer environmental conditions because:  Environmental hazards or issues identified in updated Form 1104 (SBL Physical Risk Report).  Updated Form 1104 (SBL Physical Risk Report) has not yet been received, but has been ordered and is expected prior to closing.  Updated Form 1104 (SBL Physical Risk Report) will not be ordered.  Other [explain] | | | | | | | | |
|  | | | N/A. Neither Borrower nor Guarantor is being released. | | | | | | | | |
| **Proposed Property Management Agreement** | | | | | | | | | | | |
|  | | | The proposed property management agreement satisfies the requirements in Section 6.09 of the SBL Loan Agreement. | | | | | | | | |
|  | | | The proposed property management agreement does not conform to the requirements of the SBL Loan Agreement. [explain the non-conformity] | | | | | | | | |
|  | | | N/A. The Property is self-managed. | | | | | | | | |
|  | | | N/A. The Property management is not changing. | | | | | | | | |
| **Other Conditions Applicable to Assumption** | | | | | | | | | | | |
|  | | **Standard Guide and Loan Document Conditions** *(check each applicable section below; if other or additional sections apply, list those as well)* | | | | | | | | | |
|  | | Loan Agreement §7.03(Transfer by Devise, Descent or Operation of Law)  Loan Agreement §7.04 (Preapproved Intrafamily Transfers)  Loan Agreement §7.05 (Lender’s Consent to Prohibited Transfers)  Guide §41SBL.4(a)(2)(no unmitigated adverse findings from the public record searches required by Section 18SBL.30)  Guide §§41SBL.4(a)(6); 41SBL.4(e)(1); 9SBL.7; Loan Agreement §6.13 (organizational document compliance)  Guide §41SBL.4(d)(8)(organizational chart conforms to Freddie Mac requirements)  Guide §41SBL.4(e)(4))(no new title exceptions or Single Counsel has provided explanation)  Guide §9SBL.6 (Trust Borrowers/Guarantors)  Guide §9SBL.12 (TIC Borrowers)  Other [list] | | | | | | | | | |
|  | |  | | | | | | | | | |
|  | |  | | | Single Counsel confirms all above-referenced conditions are satisfied. | | | | | | |
|  | |  | | | Single Counsel confirms all above-referenced conditions are satisfied except those listed below (describe each applicable condition from the Guide or SBL Loan Agreement not yet satisfied and provide an explanation, e.g., “***Servicer to confirm***” or “***See the Legal Issues and Recommendations section of this PLIM***”).  [list] | | | | | | |
|  | | | | | | | | | | | |
|  | | ***Other Applicable Conditions Recommended by Single Counsel*** | | | | | | | | | |
|  | | N/A | | | | | | | | | |
|  | | Single Counsel recommends the following additional conditions: [list]  (describe each applicable condition recommended by Single Counsel and provide a legal analysis and explanation). | | | | | | | | | |
| **Instruments Required to Document Assumption or Transfer** | | | | | | | | | | | |
|  | | | | **Loan Assumptions**  Loan Assumption and Modification Agreement - SBL [**Use for all SBL Loan Assumptions.**]  Memorandum of Loan Assumption and Modification Agreement - SBL [**Use for all SBL Loan Assumptions.**] | | | | | | | |
|  | | | | | | | | | | | |
|  | | | | **Transfers of Interest**  Guaranty Assumption and Loan Modification Agreement - SBL [**Use for Transfers of Interests involving a new or additional Guarantor.**]  Transfer of Interest Reaffirmation Agreement - SBL [**Use for Transfers of Interests in which there is no change in the Guarantor.**] | | | | | | | |
|  | | | | | | | | | | | |
|  | | | | **Other Instruments or Recommended Modifications**  [describe or state “N/A”] | | | | | | | |
| **Required Fees** | | | | | | | | | | | |
| *List all fees for the Borrower Request and the allocation of those fees required by the terms of the Guide (if non-securitized), the Loan Documents, the PSA, and/or the SSA, as applicable.* | | | | | | | | | | | |
| **Fee** | | | | | **Amount** | | **Allocation to Master Servicer**  **or**  **Freddie Mac (if Designated or Undesignated)** | **Allocation to Servicer** | **Allocation to DCH or Other Party (Specify)** | **Section Reference** | |
| **Transfer Fee** | | | | | [$\_\_\_\_\_] [1%] | | [30%][50%] | [30%][50%] | [40%][N/A] | [Loan Agreement §7.05]  [PSA §3.09(b)(i); 3.09(k)]  [SSA §3.01(f)(xiv)(A)] | |
| **Transfer Processing Fee**  **or**  **Transfer Review Fee** | | | | | [$\_\_\_\_\_] | | [$\_\_\_\_\_] | [$\_\_\_\_\_] | N/A | [Loan Agreement §7.05]  [PSA §3.09(b)(iii)]  [SSA §3.01(f)(xiv)(B)] | |
| **[Other]** | | | | | [$\_\_\_\_\_] [N/A] | | [\_\_%][N/A] | [\_\_%][N/A] | [Party/\_\_%][N/A] |  | |

|  |  |  |
| --- | --- | --- |
| **REMIC Analysis** | | |
|  | This Loan is either (i) designated for securitization but not yet securitized or (ii) undesignated; accordingly, a REMIC analysis is not required. | |
|  | Based on the nature of the Borrower Request, a REMIC opinion is not required by the PSA, the Guide or the Loan Documents. The proposed transaction does not constitute a “significant modification” of the Loan pursuant to Treasury Regulations Section 1.860G-2(b) and does not otherwise constitute an Adverse REMIC Event (as defined in the PSA). | |
|  | Single Counsel recommends that Servicer require a REMIC opinion for the following reasons: [describe]  *Prior to the Transaction closing, Single Counsel will provide this REMIC opinion to Servicer, either issued by Single Counsel’s firm or by another law firm acceptable to Servicer.* | |
| **Legal Issues and Recommendations not otherwise addressed** | | |
|  | | **N/A** |
|  | | **For each legal issue raised by the Borrower Request not otherwise addressed above, describe and analyze the issue and provide Single Counsel’s recommendation for mitigating any risk associated with the Borrower Request (such as specifying any necessary rider, state-specific title endorsement or loan document modifications) or an explanation of why mitigation may not be necessary or possible.**   1. **Issue 1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** 2. **Issue 2: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |