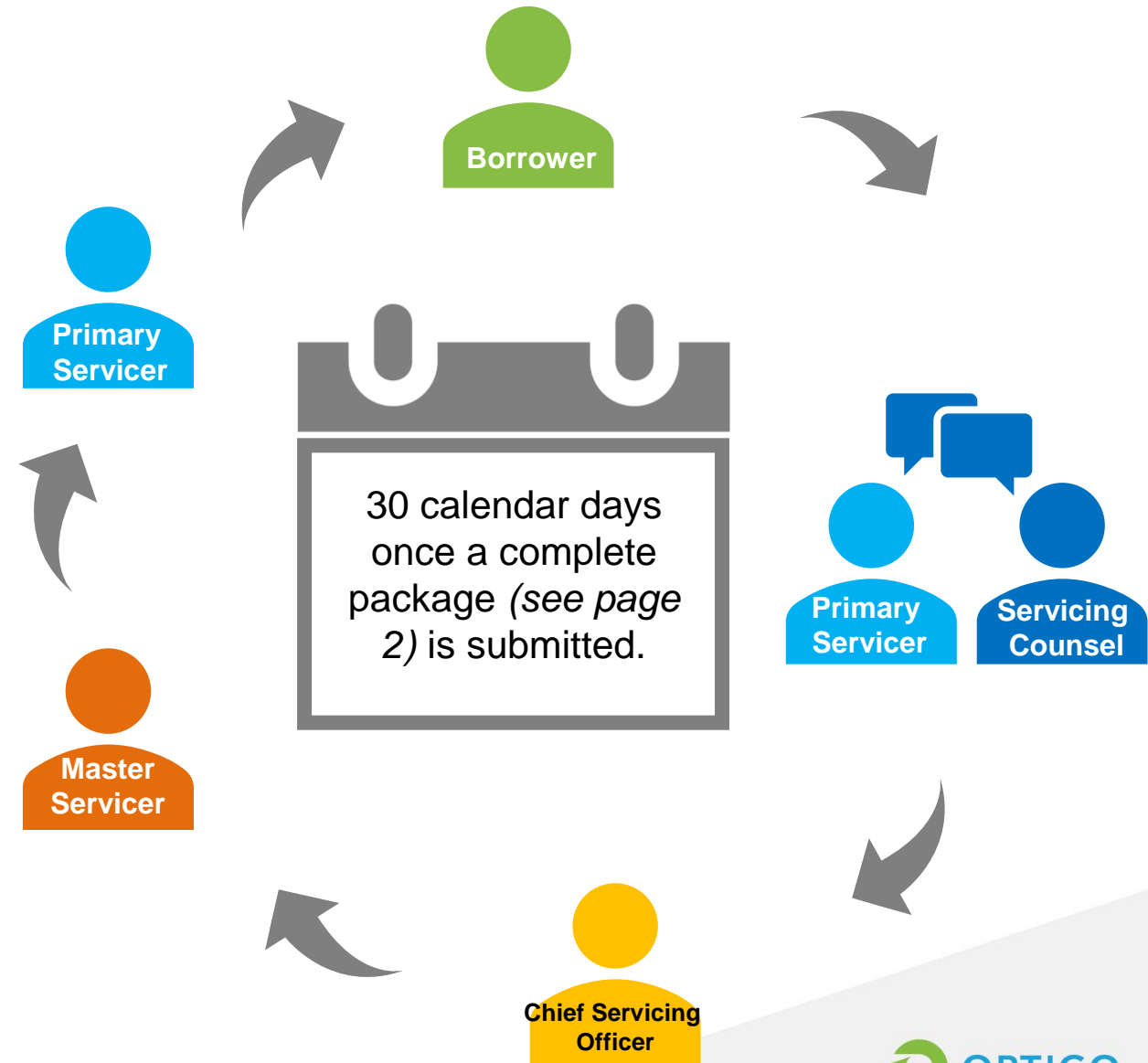


Providing a Better Loan Assumption

Best Practices for Originators

- Manage timing expectations: The clock starts upon receipt of a complete package
- Communicate how the complete package drives the process
 - » Organizational structures and Phase I timing are critical
 - » “Half baked” deals don’t work
- Hold a kick-off call with the borrower
- Keep the feedback loop open with the borrower



Providing a Better Loan Assumption (cont'd)

A complete Loan Assumption request package from the borrower/sponsor must include:

- Copy of executed contract of sale
- Current financial statements and of proposed transferee and its principals, along with credit reports, real estate experience and background for each
- Current and proposed detailed organizational charts
- Freddie Mac Multifamily Form 1115 – Borrower and Borrower Principal Certificate(s)
- Freddie Mac Multifamily Form 1116 – Real Estate Schedule for proposed transferee
- Information regarding proposed professional manager and/or transferee's management experience
- Evidence of insurance
- Current, certified financial statements for property (T-12, if not previously submitted to the servicer)
- Proposed new borrower year 1 budget for property
- Moisture Management Plan, certified by the servicer
- Copies of third-party reports related to the ownership transfer, if necessary
- Applicable fees