

Returned Package Job Aid

Background

Our goal is to ensure accuracy and superior (thorough and complete) quality in every submission package. A superior quality package expedites the completion of consent requests. This enhances the borrower experience, which is a significant focus of the Freddie Mac Servicing Standard. It also improves efficiency and experience of all parties in the consent request process.

In order to support this standard, Freddie Mac and other Master Servicers will now “return” deficient packages (see Exhibit A for examples) to the Primary Servicer, and the Consent Request Tracker (CRT) has been enhanced to track and report on those returned packages.

The following fields have been added to the Master Servicer and Freddie Mac tabs of CRT records to track deficient submission packages:

Was package returned to Primary Servicer? -- Choose Y or N --

Package Returned Date:

Please enter comment for reason why package was returned?

When a substantially incomplete or deficient package is received, the Master Servicer/Freddie Mac should complete the following fields. An email should also be sent to the Primary Servicer’s Chief Servicing Officer (CSO) explaining why the package is being returned.

Was package returned to Primary Servicer? Yes

Package Returned Date: 12/03/2024

Please enter comment for reason why package was returned? Add concise but descriptive comment regarding the reason the submission package was returned.

Best Practices

As best as possible, the package should be returned within two business days of receipt.

When a package is returned, the analyst should remove “Date Package Deemed Complete by FM/MS” from the system. If it is not removed, a warning will be generated. Do not ignore the warning, as the Master Servicer/Freddie Mac turnaround time will continue to be tracked.

Date Package Deemed Complete by FM: 10/23/2024

Outstanding Items from PS :

- Review Fees
- Inadequate Submission Form
- Borrower's Request
- Financial Statements / Rent Rolls
- 1115 / 1116
- PLIM - Legal Memo
- Organizational Chart
- Other

Was package returned to Primary Servicer? Yes

Package Returned Date: 12/02/2024

The Package Return Date is after the FM Deemed Complete Date. Please remove or amend the FM Deemed Complete Date.

Please enter comment for reason why package was returned?

Exhibit A

Distinction between inadequate and incomplete submission packages (not inclusive of all scenarios)

Inadequate Package	Incomplete Package
An inadequate submission package is defined as a package being substantially incomplete, missing critical components, as required by the <i>Multifamily Seller/Servicer Guide</i> or Loan Documents or a submission form materially lacking critical financial or legal analysis such that the analyst cannot make a determination.	An incomplete submission package is defined as a substantially complete package that is missing required information for the analyst to proceed with completion of the request.
<p>Examples of critical components include:</p> <ul style="list-style-type: none"> • Missing submission form • Required documentation, such as relevant current financial data (e.g., occupancy, DSCR or financial statements), accurate and signed agreements 	<p>Examples of missing required information include:</p> <ul style="list-style-type: none"> • Outdated versions of submitted forms or submitted forms missing signatures • Partially filled forms with required information left blank • Missing fees

<ul style="list-style-type: none"> • A submission that needs to be reworked due to missing accurate information or research of the loan status • Missing a valid explanation and/or reason(s) for the request and recommendation • Failure to address issues mentioned on the servicing form or Preliminary Legal Issues Memorandum (PLIM). The servicer needs to provide details and status update, especially if it impacts the recommendation for approval • A PLIM that does not address a legal issue (e.g., one of the board of directors has been removed from a Key Borrower Principal entity) • A missing, final, legible organizational chart, Form 1115 or Form 1116 for Transfers of Ownership • Any servicer submission with analysis based on the wrong loan document or sections 	<ul style="list-style-type: none"> • Missing reasons for a repair extension request, a proposed management agreement or other required agreements <ul style="list-style-type: none"> • For a repair extension, missing Borrower Certification of Completion • Unrealistic new due date for an extension request • A Commercial Lease request missing the Commercial Lease Analysis • Discrepancies, such as differences in unit count, noted at underwriting and current rent roll
<p>Any incomplete package where three or more months have passed since submission to Freddie Mac/Master Servicer or where the nature of the request has changed (e.g., a borrower changes a property manager to ABC, a company changes its name to XYZ, or there is a significant change to the proposed org chart for a transfer)</p>	