

SBL Link Loan Expansion FAQs

1. **Are single-unit buildings allowed if they are on the same parcel or immediately contiguous to other 2-4 unit structured?**
Single-unit buildings are not permitted within a Link Loan. If you have a core setup, a single-unit building on the same parcel or a contiguous parcel may be permitted but you should prescreen it.
2. **Are properties that touch corner to corner considered core or link? We've seen it a few times where properties back up to one another or touch at the corner.**
Please prescreen these setups with your regional Freddie Mac SBL team.
3. **There are concerns that the \$2 million minimum loan amount will be a restrictive factor. Has there been any consideration to lowering this threshold or allowing deals that are under \$2 million on a case-by-case or exception basis?**
\$2 million will remain a hard stop as the minimum loan amount.
4. **Do commercial units count toward the minimum 10-unit count for a SBL Link Loan?**
No, a minimum of 10 residential units are required in each SBL Link loan. Commercial units may be permitted in addition to the minimum 10 residential units.
5. **Are SBL Link Loans, including 2-4-unit non-contiguous setups, eligible for the mission/affordability discounts on the grid and regional discounts?**
Yes, SBL Link Loans receive all the same discounts/adjustments available on the pricing grid and are eligible for discretionary regional discounts. The only difference is that the SBL Link Loan pricing adder (15 basis points) will not apply to SBL Link Loans that are $\geq 50\%$ mission.
6. **How did the multifamily borrower experience requirements change? Can multifamily borrower experience requirements be met with 2-4-unit properties?**
The previous two routes for meeting the multifamily experience requirement thresholds have not changed. However, there is now a third route for borrowers to meet the multifamily experience requirements. Borrowers may now utilize their ownership in 2-4-unit buildings to meet the multifamily experience requirement but will need to have owned a minimum of 10, 2+ unit buildings for at least two years. Single-family residences will not count toward the unit requirements for experience. The original two routes for meeting multifamily experience still require ownership in 5+ unit buildings.
7. **Are SBL Link Loans flagged in the Origination & Underwriting System?**
Yes, there is an SBL Link drop-down that must be marked as 'Y' for any SBL Link Loan.
8. **Are we still required to get into all floor levels, unit types, vacant units and commercial units for each of the buildings in the Link Loan?**
All standard SBL inspection guidelines still apply: A complete property inspection in SBL must include a representative sample of vacant units, occupied units, all down units and all commercial units. This inspection must be inclusive of unit types, floor levels, and *each* building included within the Link Loan.