SBL LEGAL QUICK HITS

Freddie Mac MULTIFAMILY

Issue 5: June 30, 2016

New Form of Hybrid ARM Note

On June 14, we published a new form of Hybrid ARM Note - SBL. This revised form Note makes the Margin in Section 1 a fillable field. This change corresponds with the June 14, 2016 SBL Pricing Grid change for 5-year Hybrid ARM loans, which includes a Margin of 3.25%. 7-year and 10-year Hybrid ARM loans continue to have a 2.75% Margin. The revised form also includes additional minor formatting changes throughout.

- The Hybrid ARM Note – SBL (06-14-2016) must be used immediately for all *5-year Hybrid ARM* loans where the *SBL Pricing Grid Date* in the Commitment/ERLA is 6-14-16 or later.

- The Hybrid ARM Note – SBL (06-14-2016) may be used immediately for all Hybrid ARM loans.

- The Hybrid ARM Note – SBL (06-14-2016) must be used for all Hybrid ARM loans where the Commitments/ERLAs has an *Effective Dates* on/after July 14, 2016.

Reminder: New Consolidated Single Final Delivery Package for SBL

Effective for deliveries received on or after July 1, 2016, an SBL Purchase Product Final Delivery will consist of a single package. The new Final Delivery Table of Contents – SBL (07-01-2016) contains the following errors:

- Title Insurance Certification – SBL is not required and should be marked “N/A” or removed from the TOC
- New York Section 255 Affidavit should be delivered electronic only (no original required)
- New York Gap Security Instrument Assignment is not applicable and should be marked “N/A” or removed from the TOC
- “Assignment of New York Consolidation, Extension & Modification Agreement” should be “Assignment of Consolidated Security Instruments”

Until a revised Final Delivery Table of Contents is posted, you may make the above changes manually.

Recorded Loan Documents and Final Title Policy

Please put controls in place or review your existing processes to ensure that all recorded loan documents are uploaded to DMS and delivered as soon as possible. Before submitting recorded documents, please confirm that they were recorded in the correct order with all required pages (including exhibits). Additionally, if the title policy included in the Final Delivery contains blanks for recording information, please deliver an endorsement reciting the missing recording information as soon as it becomes available.

Use of SBL Legal Mailbox

General SBL Legal questions or comments should be submitted through Freddie_Mac_Legal_SBL@freddiemac.com. Loan specific questions should be submitted as follows:

- Filicia Davenport for loans originated in the Northeast and Southeast regions
- Matt Bowsher for loans originated in the North Central and South Central regions
- Scott Collins for loans originated in the Western region

Did You See

- SBL Guide Addendum Being Integrated into the Seller/Servicer Guide (06/20/16)
- Update to SBL Market Tiers (06/15/16)