SBL LEGAL QUICK HITS

Issue 6: September 27, 2016

Formatting for Revised Loan Document Text

Remember that all modifications to Loan Documents must be (1) included in an exhibit to the document, and (2) drafted using strike-through text to show deletions and bold/underline text to show additions. If you are adding a brand new section or subsection, normal text (without any bold/underlining) is permitted. As a reminder, document modifications are only permitted if necessary based on the structure of the deal or as required by the loan commitment.

Unpermitted Units

If you have a property with unpermitted units, always contact the applicable Freddie Mac SBL Regional attorney.

Updated Policy: SBL - Public Record Searches

We are introducing an updated policy for SBL public record searches in the next *Guide* update (scheduled for early to mid-October). Chapter 18SBL will include a table and notes detailing all required searches. Effective November 1, SBL Sellers must conduct and review all required searches prior to submission of their full underwriting package to Freddie Mac. A webinar fully describing the updated search policy and suggestions for cost effective and efficient ways to conduct them took place on September 13. Any requests for a copy of the deck used for that presentation or questions regarding the updated policy should be sent to the SBL Legal Mailbox.

Regulatory Agreement Questionnaire - SBL

The SBL Program now provides financing for the acquisition or refinance of the following properties with 50 units or less:

- Low-Income Housing Tax Credit (LIHTC) properties with Land Use Restriction Agreements (LURAs) in the extended use period or in the final 24 months of the initial compliance period (in both cases, provided the tax credit investor has exited the project)
- Properties with certain regulatory agreements with local, state, or federal housing authorities that impose income and/or rent restrictions

For each recorded Regulatory Agreement, Seller must submit a Regulatory Agreement Questionnaire – SBL completed by Single Counsel during the pre-screening phase of the loan. This Questionnaire replaces the Regulatory Agreement Analysis.

You're Invited – Single Counsel Meeting

SBL Single Counsel have been invited to a Single Counsel Meeting on **Wednesday, October 19 from 8 to 9:00 AM** during our Customer Conference in Miami (registration required). The meeting will be in the Plaza 4 & 5 conference rooms, 5th Floor, Marriott. Breakfast will be available starting at 7:30 AM and will be served throughout the meeting. If you did not receive an invitation and would like to attend, please send an email to the SBL Legal Mailbox.

Your feedback is critical to the success of the SBL Program. At this point, the following items are on the meeting agenda:

- Regulatory Agreements for SBL
- Repairs
- Searches
- Judgments, liens – escrows and closing
- Securitization process

SBL Legal Quick Hits is a communication designed to share brief program updates and reminders for our Single Counsel. If you have any questions, please contact us at Freddie_Mac_Legal_SBL@freddiemac.com.

If you would like to add any items to this list, please feel free to submit your suggestions to the SBL Legal Mailbox.

Did You See

- SBL Program Update (09/23/16)
- New Consolidated Final Delivery Process (09/01/16)