SBL LEGAL QUICK HITS

Issue 13: May 24, 2018

SBL Single Counsel Resource Web Page – New Look, New Location, Same Great Content

As part of the Freddie Mac Multifamily web site redesign, you can now locate the SBL Single Counsel Resource Web Page at the following URL: https://mf.freddiemac.com/seller_servicer/legal/sbl-legal-counsel/index.html

Be sure to bookmark this page, as it is not linked to the main Freddie Mac Multifamily web page. Use this resource for access to current commitment form documents, in-house legal contact lists, and an archive of Quick Hits and other legal guidance documents. If you need the password for any locked documents, contact Molly_Jo_Battenfield@freddiemac.com.

Guidance – SBL Litigation Analysis

Guidance – SBL Litigation Analysis is now posted on the SBL Single Counsel Resource web page to help guide you through litigation matters. Instructions on what must be included in a litigation analysis is found on the second page of this guidance document.

Stamped Signatures

Recently we've discovered that some borrowers have been signing loan documents with a stamp rather than a traditional handwritten signature. This has created issues when the loans are securitized, resulting in Seller/Servicers having to get the loan documents re-signed on very short notice. It may also create delays in the funding of loans. We are addressing this issue from several angles, one of which is to determine whether stamped signatures are legally enforceable in all 50 states. However, such analysis will take time. Therefore, until further notice, to spare yourself and your client the experience of having to quickly obtain a re-signed set of loan documents, please immediately instruct your borrowers to use traditional handwritten signatures on loan documents rather than stamped signatures. Also, we appreciate your contacting us if your firm has researched this issue on a multistate level.

When Freddie Mac Legal Must be Contacted

As a follow-up on our recent training on the role of Single Counsel, please note that Freddie Mac counsel must be contacted for the following:

- Waivers of any Guide requirement
- Modification of any loan document
- Taking an exception to the representations and warranties in the Commitment for anything other than a regulatory agreement or a non-permitted unit
- The following types of litigation
  - Uninsured/under-insured
  - Pattern of bad behavior
  - Allegations of fraud, misrepresentation, bankruptcy, SEC litigation, crime, or similar
  - Outcome likely to have a material impact on borrower, guarantor, or the property

Did You See

- SBL Program Update (May 11, 2018)