Issue 18: March 8, 2019

Regulatory Agreements Trigger Representation & Warranty Exceptions in the Commitment
As a reminder, if your deal has a regulatory agreement, Schedule 1 of your Commitment should show exceptions taken for reps #6 and #7 (related to encumbrances and title coverage). Be sure you are double-checking this in your commitment review.

Organizational Charts and Form 1114 Review
As we discussed at the conference in Nashville, Single Counsel are responsible for reviewing the borrower's organizational chart and Form 1114 and ensuring both conform to the Freddie Mac requirements. You should review and refer borrower's and their counsel to the Organizational Chart – Interactive Guidance for detailed direction on the level of detailed required in each organizational chart. The Organizational Chart and Form 1114 Tutorial is also available for your team to review if you still have questions.

Updated SBL Single Counsel List
We have posted an updated SBL Single Counsel list for originations. As always, send any changes to your firm's contact information to Molly Jo Battenfield.

Updated SBL Commitment Amendment Form
We have streamlined the Commitment amendment and correction process with a unified form to document both types of changes. The new SBL Commitment Amendment (3-8-2019) is effective immediately for any changes to a Commitment. Contact Filicia Davenport with any questions. The Commitment Correction form is being retired.

Updated SBL Loan Documents
Today we are posting updated versions of the following documents, which may be used immediately and **must be used** for any Commitments with an Effective Date on or after 4-8-2019:

Loan Agreement – SBL (3-8-2019)
Note Fixed Rate – SBL (3-8-2019)
Note Hybrid ARM – SBL (3-8-2019)
Guaranty – SBL (3-8-2019)
Tenancy in Common Borrower Rider to Loan Agreement – SBL (3-8-2019)
Related Co-Borrowers with Related Parcels Rider to Loan Agreement – SBL (3-8-2019)
Ground Lease Mortgage Rider to Loan Agreement – SBL (3-8-2019)
Single Counsel Certification – SBL (3-8-2019)

Blacklines of documents with changes other than formatting changes can be found on the SBL Single Counsel web page.

Most of the changes are structural and intended to further simplify completing and reviewing our SBL loan documents. In addition, we've added "division" of an entity to the restricted actions in Section 6.13 of the Loan Agreement to address the change in DE law last year and deleted the representation that Regulatory Agreements are terminable at foreclosure.

- **Notes –** Prepayment and state-specific provisions are now selected in Article 1. This brings all of the variable terms up to the first 1-2 pages of the Note. The prepay and state-specific schedules will no longer be edited. The final Notes will be a few pages longer, but this move should improve data accuracy, particularly for prepayment options.

- **Loan Agreement** and **Loan Agreement Riders –** White text on a black background scans poorly, so the text color/shading on table headers has been adjusted to improve the review accuracy for our document digitization initiative. The titles of all updated documents is now black for the same reason.

- **Guaranty –** Applies the same concept as the Notes for state-specific provisions. The schedule will now always be attached & will not be edited. The parentheticals were added to the guaranteed obligations at SBL Single Counsel request to help borrowers/guarantors more easily connect the guaranty obligations to the carveout provisions detailed in the Loan Agreement.

Did You See

We recently launched Optigo, a new brand under our Multifamily business
https://mf.freddiemac.com/news/2019/20190219-optigo-faq.html