

02/24/2023



SBL UPDATE

February Special Coming to a Close

As we approach the last few days of the [February Pricing Update](#), we want to thank our lenders and borrowers for partnering with us to make it a great success. We've spurred business with both new and repeat Small Balance Loan (SBL) borrowers, while also financing an important amount of low-income 5-50, low-income and very low-income units.

As a friendly reminder, the pricing update ends before midnight on February 28. Starting March 1, the additional 10 bps allowed in maximum servicing fees will no longer be available on loans taken under application. Additionally, one extra year of interest-only will no longer be approved without prescreen. If you are requesting non-programmatic interest only, please submit an exception request for review and approval prior to loan application.

We appreciate your partnership and contributions toward our affordable, workforce housing goals. Let's keep the momentum going!

Guide Update: Appraisal Requirements

We have updated the *Multifamily Seller/Service Guide* (Guide) Chapter 60 to refer to [the Additional Appraisal Requirements Memorandum](#). All mortgages taken under application on or after February 20, 2023, are subject to the following new appraisal requirements:

- At least one relevant listing or pending sale (other than the subject property). If a similar listing or pending sale is unavailable, the appraisal must include an adequate explanation of the efforts undertaken to find relevant comparables.
- Current surveys of local real estate participants for knowledge of the property's submarket and investment considerations, as rationale for the capitalization rate and market conditions adjustment. These surveys must be dated within 60 days before the effective date-of value.
- Immediately inform Freddie Mac Underwriting if the effective date-of value is expected to be greater than 90 days from submission to Freddie Mac. Freddie Mac Underwriting will be assessing the reliability of any appraisal report with an effective date-of value more than 90 days from the date-of full underwriting package delivery. Appraisals with an effective date within six months are still acceptable, although Freddie Mac may request additional information.

Guide Update: New or Revised Documentation to Underwriting Package

We've updated [Chapter 55SBL.1](#) to require lenders to notify the primary underwriter when uploading new or revised documentation to the Document Management System after rate-lock.

Communications with SBL Single Counsel

We'd like to remind you to keep SBL Single Counsel copied on communications between loans submissions and issuance of the draft commitments. This will help ensure that loan issues are addressed in a timely manner. Thank you in advance for your assistance with this process.