

Bulletin

NUMBER: M2022-4

TO: Freddie Mac Multifamily Sellers and Servicers
August 18, 2022



SUBJECTS

In the August 18, 2022 Guide Bulletin, we are updating the Guide as follows:

TAH Unfunded Forward Cash Commitments

- Adding [TAH Unfunded Forward Cash Commitment](#) requirements to the Guide

SBL Mortgages

- Updating certain [SBL Mortgage](#) requirements

Seller/Servicer notification requirements

- Revising certain [Seller/Servicer change](#) notification requirements
- Adding Seller/Servicer [Material Vendor change](#) notification requirements

Seller/Servicer Chief Compliance Officer

- Adding [Chief Compliance Officer](#) roles and responsibilities

Seller/Servicer eligibility

- Revising our [minimum volume of servicing portfolio](#) requirements for new Seller/Servicers
- Revising our additional eligibility requirements for [new TAH Seller/Servicers](#)

IRS Forms 1099-MISC (“Miscellaneous Income”) and 1099-NEC (“Nonemployee Compensation”)

- Adding a new Guide Section with respect to [IRS Forms 1099-MISC and 1099-NEC](#)

Additional Guide updates and housekeeping items

- Clarifying our requirements for updates to documentation submitted as part of the [Early Rate-Lock preliminary package](#)
- Revising certain Freddie Mac [contact](#) information

EFFECTIVE DATES

All revisions announced by this Bulletin are effective immediately unless otherwise noted below.

GUIDE UPDATES SPREADSHEET

For a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond, access the Guide Updates Spreadsheet for this Bulletin posted at <https://mf.freddiemac.com/lenders/guide/bulletins.html>.

CONCLUSION

More details on these changes are provided on the pages that follow. Guide text additions made in this Bulletin are color-coded in green on AllRegs. If you have any questions about this Bulletin, please call your Freddie Mac representative.

Sincerely,

Ian Ouwerkerk



Vice President
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Vice President
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TAH Unfunded Forward Cash Commitments

To streamline the Letter of Commitment for TAH Mortgages, we are adding requirements for Unfunded Forward 9% Low-Income Housing Tax Credit (LIHTC) and Non-LIHTC transactions to the Guide.

We are reorganizing and updating Chapter 19A, Sections 11.2(e), 25A.11, 25A.13, 28A.11, 28A.13, 32.1(k) and the Glossary to reflect these requirements.

SBL Mortgages

We are updating our SBL requirements to:

- Accept rent rolls that are dated within 30 days of the underwriting package submission. This is extended from within seven days of the underwriting package submission.
- Clarify that a third-party management company will be required if, at the time of Seller Application, no individual with Control over the Borrower resides less than 100 miles from the Property
- Clarify that the Seller is only required to provide a calculation of the prepayment premium payable with respect to the Mortgage being refinanced in the Multifamily Securities Investor Access (MSIA) application for cash in or cash neutral refinance transactions
- Update Chapter 46SBL to add and define the term Secondary Market Transaction and revise references from Seller to Seller/Servicer

We are updating Sections 8SBL.13, 46SBL, 55SBL.2 and the SBL Interactive Checklist to reflect these changes.

Seller/Servicer change notification requirements

Seller/Servicer changes

We are updating Section 3.8 and Form 1107M, *Multifamily Seller/Servicer Change Notification*, to:

- Increase the structure change fee from \$10,000 to \$30,000 for major changes in its ownership or organization, as provided in Section 3.8(a)
- Require Seller/Servicers to report an email domain name change for its organization (*i.e.*, a change to the email address following the @) within 30 calendar days after the change. The new domain name must be reported via Form 1107M. We will only require a new list of email addresses for each individual if the username is changing (*i.e.*, a change to the email address before the @).

Material vendor changes

We are requiring Seller/Servicers to notify us within 10 Business Days of the date of onboarding or termination of a Material Vendor in new Section 3.9. The Seller/Servicer must notify Freddie Mac of the change by emailing MF_Counterparty_Transactions@freddiemac.com or by making the change directly via the Multifamily Eligibility System.

Seller/Servicers should refer to the Material Vendors [web page](#) on mf.freddiemac.com for more details and examples of Material Vendors.



Seller/Servicer Chief Compliance Officer

We are updating Section 2.19 to require that each Seller/Servicer designate a Chief Compliance Officer (CCO), who will have the roles and responsibilities provided in the Section. Seller/Servicers may designate a Deputy CCO as a backup to the CCO. Designation of new CCOs or optional Deputy CCOs, or any changes to these roles, must be reported to Freddie Mac via Form 1107M within 30 calendar days.

Seller/Servicer eligibility requirements

Minimum volume of servicing portfolio

We are revising our minimum volume of servicing portfolio requirements in Section 3.3(a) for new Servicers to:

- \$750 million of mortgages secured by multifamily and/or commercial properties

AND

- Three years' experience servicing commercial and/or multifamily securitized loans, consisting of a minimum of 100 securitized loans

Each applicant for approval as a Servicer must meet these new minimum standards as of the date of the application. Once Freddie Mac has approved a Servicer, the Servicer must continue to meet these requirements in order to maintain its approval.

TAH Seller/Servicer eligibility

We are updating Section 3.13 to revise our requirements for new TAH Seller/Servicers as follows:

- Reducing the minimum years of experience in lending for affordable multifamily properties from 10 years to five years
- Requiring that each TAH Seller/Servicer demonstrate that its current staffing plan is able to meet forecasted volumes
- Requiring that at least two Senior Underwriters have a minimum of five years of debt underwriting experience with LIHTC equity and other sources of capital for affordable multifamily properties

IRS Forms 1099-MISC and 1099-NEC

We are adding new Guide Section 43.4 to state that IRS Forms 1099-MISC, *Miscellaneous Income*, and 1099-NEC, *Nonemployee Compensation*, must be filed using the Seller/Servicer's name and Taxpayer Identification Number (TIN). The IRS forms must not be filed using Freddie Mac's name or TIN.

Additional Guide updates and housekeeping items

Early Rate-Lock preliminary underwriting package

We are updating Exhibit 1.1, *Underwriting Checklist*, to clarify that any documentation that was submitted as part of the Early Rate-Lock preliminary underwriting package must be updated, if necessary, as part of the final underwriting package submission.

Freddie Mac contact information

We are revising our contact information as follows:

- Removing mailstops from addresses in the Directory



- Updating the Multifamily Customer Compliance Management contact information in the Directory to add the Counterparty Transactions team [mailbox](#)
- [Updating the Multifamily Attorney contact information in the Directory, including to add a group mailbox](#)
- Changing references in Section 2.7 from the Institutional Risk Manager to the Audit Lead