Bulletin

NUMBER: M2026-4
TO: Freddie Mac Multifamily Sellers and Servicers
August 25, 2026

SUBJECTS

In the August 25, 2026 Guide Bulletin, we are updating the Guide as follows:

- Removing origination, underwriting and purchase and delivery requirements for Small Balance (SBL) loans
- Clarifying our requirements for Seller's pro forma property financial statements
- Clarifying our documentation requirements for Form 1116, Real Estate Schedule, verification, when applicable
- Updating our allocation to intangible assets requirements for Seniors Housing Mortgages

EFFECTIVE DATES

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

GUIDE UPDATES SPREADSHEET AND REDLINED GUIDE CHAPTER CHANGES

Visit https://mf.freddiemac.com/lenders/guide/bulletins for the following resources to this Bulletin:

- **Appendix A to August 25, 2026 Bulletin, Guide Updates Spreadsheet** – a detailed list of the Guide updates associated with this Bulletin and the topics with which they correspond
- **Appendix B to August 25, 2026 Bulletin, Redlined Guide Chapter Changes** – a PDF showing the redlined changes announced in this Bulletin to each revised Guide chapter, Glossary and Directory

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,

Kevin Palmer
Executive Vice President
Head of Multifamily

Erlita Shively
Vice President
Multifamily Counterparty Risk Management

SBL RETIREMENT

As previously announced, we are no longer accepting SBL applications as of April 30, 2026. With this Bulletin, we are updating the Guide to remove SBL origination, underwriting and purchase and delivery requirements.

Additionally, we are:

- Specifying our asbestos-containing materials (ACM) requirements in Section 66.11
- Removing Chapters 62SBL and 64SBL. Seller/Servicers should refer to Chapter 64 for seismic risk assessment requirements and Chapter 66 for Physical Risk Report requirements.
- Removing Form 1104. New Physical Risk Reports should be completed using Form 1108.
- Updating Forms 1112, Borrower and Key Borrower Principal Blanket Certification, 1115, Borrower and Key Borrower Principal Certificate, and 1116, Real Estate Schedule

Our Servicing requirements for SBL Mortgages are not impacted by this change.

Review Appendix A to August 25, 2026 Bulletin, Guide Updates Spreadsheet, for the full list of impacted Guide chapters, forms and exhibits.

SELLER'S PRO FORMA PROPERTY FINANCIAL STATEMENTS

We are updating Section 55.2 to clarify that it is our expectation that the Seller's summary spread of the property financials matches the underlying source documents.

Any variations or adjustments from the source documents made by the Seller must be clearly disclosed and explained in either the Mortgage Transaction Narrative Analysis (MTNA), an Excel-based reconciliation document, or another format acceptable to Freddie Mac. This enables the Freddie Mac underwriter to easily understand and evaluate the modifications.

A full underwriting package is not considered complete unless it includes an acceptable Loan Submission Template (LST) and any required explanation of adjustments.

FORM 1116, REAL ESTATE SCHEDULE, VERIFICATION

We are clarifying our Real Estate Schedule verification requirements in Section 11.16(c). The mortgage transaction narrative analysis must include confirmation that the verification of the ownership information has been successfully completed (when necessary for applicable Key Borrower Principals and Guarantors), including identification of the properties from each applicable Form 1116, Real Estate Schedule, included in the sample.

SENIORS HOUSING MORTGAGE ALLOCATION TO INTANGIBLE ASSETS

We are revising our requirements in Section 10.18(c) for Seniors Housing Mortgages where there is any allocation to intangible assets (including goodwill) in connection with the acquisition of the Property. For these Mortgages, the final Mortgage amount (as reflected on the final settlement statement) may not exceed 125% of the real property allocation.