

# Bulletin

NUMBER: M2025-6

TO: Freddie Mac Multifamily Sellers and Servicers

August 26, 2025



## SUBJECTS

In the August 26, 2025, Guide Bulletin, we are updating the Guide as follows:

### Servicing Spreads

- Updating our [Servicing Spreads](#)

### Rental Assistance Contracts and Tenant-Based Rental Assistance Vouchers

- Revising our [Section 8 HAP Contracts and vouchers terminology](#) to Rental Assistance Contracts and Tenant-Based Rental Assistance Vouchers

### Delivery

- Updating our [delivery](#) requirements

### Property condition ratings

- Updating our [property condition ratings scale](#)

### Screening of the Restricted Party Lists

- Updating our requirements for [ongoing screening of the Restricted Party Lists for lender consent requests](#)

### Additional Guide updates and housekeeping items

- Clarifying our [Servicing repairs](#) requirements
- Revising certain [due diligence](#) requirements
- Clarifying our [Appraisal](#) requirements
- Updating our [system administrator forms](#)
- Notifying Seller/Servicers of additional [minor Guide changes and reminders](#)

## 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.html> for the following resources to this Bulletin:

- **Appendix A to August 26, 2025, 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 26, 2025, 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,

Ian Ouwerkerk

Senior Vice President

Multifamily Underwriting and Credit

Erlita Shively

Vice President

Multifamily Counterparty Risk Management



## Servicing Spreads

As announced on July 23, 2025, we posted a new [Servicing Spreads Chart](#) on our web site. We are updating Sections 17.2(m), 19.2(a), 20.3(j), 21.4, 25.6, 25.10 and 28.16(a) to reflect this change.

## Rental Assistance Contracts and Tenant-Based Rental Assistance Vouchers

We are updating terminology for project-based HUD Section 8 HAP Contracts and non-HUD project-based rental subsidies to Rental Assistance Contracts, and tenant-based vouchers to Tenant-Based Rental Assistance Vouchers. Non-HUD Rental Assistance Contracts will have the same underwriting requirements as project-based HUD Section 8 HAP Contracts.

We are updating Sections 6.4(l), 6SBL.7(l), 8SBL.14, 17.1(a), 19.1(a), 19.2(a), (d), and (e), Chapter 23, 40.13(b), 55.2, 60.6, 60.24, the Glossary, the [Interactive Conventional TAH Cash Underwriting Checklist](#) and the [SBL Dynamic Underwriting Checklist](#) to reflect these changes.

## Delivery requirements

### Effective October 1, 2025

We are implementing additional final delivery requirements to Section 32.3(c) and (f) for Mortgages originated on or after October 1, 2025. These requirements include the delivery of:

- For any Mortgage identified in the Purchase Contract as an acquisition, a copy of any Property seller-side settlement statements; and
- For all Mortgages,
  - Copies of all documents evidencing the chain of title for the Property during the 36-month period preceding the Mortgage origination; and
  - A copy of any closing statements and escrow instruction letters provided by the Seller or the Seller's counsel to the party conducting the escrow and settlement functions; and
  - A receipts and disbursements ledger for the transaction, along with evidence of all corresponding wires or checks received or sent concerning the Mortgage and, if applicable, the acquisition.

Review the new [Freddie Mac's Closing Documentation Guidelines](#) for more details.

We are also updating Sections 32.1, 32.3(d) and 32.4 to reflect these changes.

## Property condition ratings scale

We are updating the ratings scale used in property condition reports and physical risk reports to align with the current MBA ratings scale as follows:

- **1 – Excellent:** Typically, newer property or recent major rehab/significant investment, no Deferred Maintenance, no Life Safety Hazards/code violations, superior repair and maintenance practices, capital needs addressed.
- **2 – Very Good/Good:** Some minor issues noted that can be resolved by onsite maintenance, no/isolated Deferred Maintenance, no/isolated Life Safety Hazards/code violations, proactive repair and maintenance practices, majority of capital needs addressed with no impact to Property performance.



- **3 – Fair:** Declining condition or isolated deterioration typically requiring an outside contract to remediate, material Deferred Maintenance, some Life Safety Hazards/code violations, reactive repair and maintenance practices, critical capital needs addressed but additional capital investment required.
- **4 – Deteriorated:** Substantial issues noted with follow-up required, extensive Deferred Maintenance, Life Safety Hazards/code violations requiring immediate attention, reactive repair and maintenance practices that do not address concerns, critical capital needs are not being addressed which is negatively impacting Property performance.
- **5 – Unacceptable:** Functionality of systems and components is compromised which materially impacts marketability, excessive Deferred Maintenance, significant Life Safety Hazards/code violations requiring immediate action, inadequate repair and maintenance practices, critical capital needs are not being addressed.

We are updating Section 8SBL.17(4), 62SBL.3(c), [Form 1104, SBL Physical Risk Report](#), [Form 1105, Property Condition Assessment](#), and [Form 1108, Physical Risk Report](#), to reflect this change.

For continuation of business, all loans with property condition reports or physical risk reports completed on or before **September 26, 2025** may use the versions of the forms in effect prior to this update.

## Ongoing Screening of Restricted Party Lists: Lender consent requests

To streamline the lender consent request process, we are updating Section 43.28 to remove the requirement that upon receipt of any Borrower request for lender consent to a transaction, the Servicer must screen Borrowers, Borrower Principals, Guarantors, Non-U.S. Equity Holders, and the property management company against the Restricted Party Lists prior to approving, or requesting approval from Freddie Mac for, such Servicing-related transaction.

Servicers will continue to be required to screen, at least monthly, Borrowers, Borrower Principals, Guarantors, Non-U.S. Equity Holders, and any applicable property management company against the Restricted Party Lists.

Note that other screening and certification requirements remain applicable; see Guide Sections 2.18, 41.1(d) and 41SBL.1(d).

## Additional Guide updates and housekeeping items

### Servicing repairs

As announced in the June 24, 2025, Bulletin, we updated Section 39.4(b) to require the Servicer (or its permitted delegee) to notify Freddie Mac of partial completion of repairs at least 30 days prior to the applicable completion on the [Borrower Certification – Partial Completion of Repairs](#) form when repairs are not anticipated to be done by the due date. We are updating Section 39.4(a) to clarify that notice via PRS is also required to Freddie Mac to affirmatively confirm that repairs are on track for completion by the due date.

### Due diligence

#### **Net worth validation expansion and Form 1116, Real Estate Schedule reminder**

As announced during the [external training](#) on the February 27, 2025 Guide and process updates, for First-Time Sponsors, Limited Multifamily Experience Sponsors, and Rapid Growth Sponsors, Freddie Mac Underwriting performs an independent, mark-to-market analysis of the real estate valuations presented in the applicable Key Borrower Principal Real Estate Schedule(s) to validate the net worth reported in their certified financial



statement(s). Effective for loans under application on or after August 26, 2025, this validation activity performed by Freddie Mac Underwriting will apply to all Key Borrower Principals.

To that end, use of the most current version of [Form 1116, Real Estate Schedule](#), which was updated to capture additional information and add an area for further analysis and sensitivity testing of valuation conclusions, is now required for all transactions. Alternatives (preferably in Excel format) will continue to be permitted provided they are acceptable to Freddie Mac.

Additionally, to better support this net worth validation analysis, we are updating the Form 1116 instructions, as well as the instructions contained in Chapters 55 and 55SBL, to clarify that the Key Borrower Principal must reflect all assets in which they have either ownership or Control on Form 1116 (instead of indicating only those properties in which they served as Borrower or Key Borrower Principal).

We are also updating Sections 9SBL.2(d), 55.2, 55.3, 55SBL.2, the [Interactive Conventional TAH Cash Underwriting Checklist](#) and the [SBL Dynamic Underwriting Checklist](#) to reflect these changes.

### **Acquisition Closing Funds Analysis expansion**

We are updating Sections 55.2 and 55SBL.2 to expand the acquisition closing funds component of the Sources and Uses analysis (confirming that the Key Borrower Principals have the funds needed to close the transaction) to apply to all acquisition transactions (not just those with First-Time Sponsors, Limited Multifamily Experience Sponsors, and Rapid Growth Sponsors).

As a reminder, the Seller must provide sufficient detail about a transaction's cash inflows (sources) and outflows (uses) in order to properly document the expected flow of funds related to a transaction.

## **Appraisals**

We are clarifying our Appraisal requirements as follows:

- Clarifying that the as-is market value effective date of the most current Appraisal must match the date of the appraiser's Property inspection
- Clarifying that at least one certified general appraiser signing the Appraisal must have inspected the Property, concurrent with the as-is market value effective date of the most current Appraisal

We are updating Sections 60.9, 60.10, and 60.12 to reflect these changes.

## **System administrator forms**

We are updating Section 2.13, [Form 1146, System Administrator Add/Update/Remove Request Form](#), [Form 1148, System User Verification and Certification](#), and [Form 1149, System Administrator Verification and Certification](#), for better Guide alignment and to improve the user experience.

## **Minor Guide changes and reminders**

### **General Loan Information**

We are updating the Guide to remove references to the retired Multifamily Software Application, General Loan Information (GLI).

We are updating Sections 2.12(a), 40.11, 41.1(a), 41SBL.1(a) and the Glossary to reflect this change.



### ***Annual Inspection Form Desk Reference***

As recently [announced](#), we updated our [Annual Inspection Form Desk Reference](#), previously referred to as the Annual Inspection and Loan Management Forms Desk Reference or AIF Desk Reference. We are updating Sections 40.7(d) and 40.9 to reflect this change.

### ***Recent Loan Document updates***

On July 1, 2025, we posted Loan Document updates to our Loan Documents web [page](#).

For the applicable form and version of each Loan Document, please refer to the Currently Acceptable Multifamily Loan Documents list or, for SBL Mortgages, the Currently Acceptable Multifamily Loan Documents - SBL list, both available at [mf.freddiemac.com/lenders/legal](https://mf.freddiemac.com/lenders/legal).