



SMALL BALANCE LOAN UPDATE

Freddie Mac Staff:

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More on Retiring Draft Commitments

Last week's SBL Update described our retirement of draft Commitments, effective March 1, 2019. Freddie Mac underwriters will instead issue a working document called a [Commitment Summary of Terms](#) on the journey to a final Commitment.

The Summary is a shorter, more streamlined view of the proposed loan terms. This will make lender and Single Counsel's reviews faster and move loans more quickly to a final Commitment. The Summary will be date/time stamped to ensure version control – everyone will always be working from the same version of the document. Additionally, this concise view of the loan terms and streamlined process for all parties to confirm those terms before a Commitment is issued will improve data integrity and reduce the number of Commitment Amendments needed prior to and at loan delivery.

We welcome your feedback as we launch the Commitment Summary of Terms. Please direct your questions or feedback to [Tyrone Purdie](#).

Interest-Only Pricing Change

On Tuesday, February 26, we intend to change the pricing grid to reflect a return to the 4 bps adder per each additional year of interest-only (IO) option and a 4 bps credit per year for less than grid-implied IO periods.

Specific to Top Market deals in the Western Region, IO adders will be 2 bps for each additional year but still receive 4 bps credit per year for less than grid-implied IO periods. Contact your Western regional producer for necessary approvals.



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