



## SMALL BALANCE LOAN UPDATE

### Freddie Mac Staff:

The email below will be sent externally to Multifamily customers and others who are subscribed to our news emails. You are receiving this email for information purposes only, and you may [update your email preferences](#) at any time.

### Affordability Test Updates

In case you missed it, the [Affordability Test](#) was recently updated. With this update, the Market Type label was adjusted to prevent any confusion with current FHFA rules. For more information, visit our [Affordability Test and Other Resources webpage](#).

### PMT Reminder

All deals taken Under Application must be entered into the Pipeline Management Tool (PMT) within one business day of the application date. Freddie Mac SBL reserves the right to update coupon rates on loans that are entered into PMT after 11:59 p.m. (local time to the regional office) the following business day.

### Physical Risk Report Requirements

Priority repair items identified within the Physical Risk Report that requires additional information from a qualified professional (i.e. Termite Inspection, Load Test Analysis, Structural Engineer) will need to be assessed prior to submission of the full underwriting package to Freddie Mac. If these items are left outstanding at the time of submission to final underwriting this will result in a failed package submission.

## Weather Related Impacts to Deals in Process

With the devastating news coming out of Texas and surrounding areas (parts of Oklahoma, Louisiana and Mississippi) over the past week relating to widespread, extended power outages in sub-freezing temperatures, we are releasing a Borrower Certification of Property Condition – Weather Events that should be executed prior to rate-lock in any of the states referenced above. Lender should evaluate the following, in all of the areas mentioned above, until further notice:

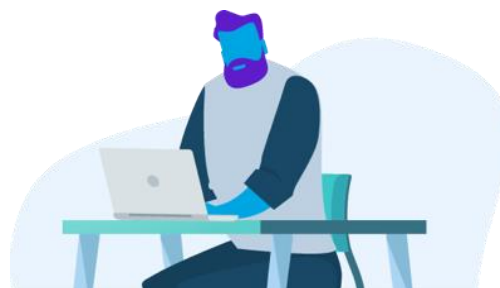
- Condition of the property: How many units impacted, nature of the damage and what is the time frame to return those units to market?
- Confirmation that the property has sufficient property damage and rent loss coverage
- If an acquisition, has there been a change to the PSA?
- [Borrower Certificate of Property Condition – Weather Events](#) is to be provided for each deal in impacted areas

## Compliant Kitchens and Tenant-Owned Appliances

As a reminder on our kitchen and bathroom requirements, please review the [Compliant Kitchens and Tenant-Owned Appliances document](#) that we posted on the [Originate & Underwrite webpage](#).

## Optigo Academy

If you haven't already, check out the improved online learning center, [Optigo Academy](#). A wide variety of SBL courses are now available to you – with the opportunity to earn a certificate for each completed session.



## Small Talk

Each week we're welcoming any questions from you in the Small Talk series. Please continue to submit questions to

[sbl\\_weekly\\_questions@freddiemac.com](mailto:sbl_weekly_questions@freddiemac.com) to hear from a select member of our team in the following week's *SBL Update*.

This week we're featuring [Alex Meersman](#). Alex is a producer in the South Central region.

### How is SBL handling deals located in markets with large energy and petrochemical concentrations?

We removed Houston and the state of Oklahoma as markets of concern when oil prices recovered from their early pandemic lows. We are back to business as usual in these markets. As always, for markets that have historically high volatility due to energy concentrations, like Midland-Odessa, please reach out to your production rep with a prescreen.



Alex Meersman

### As a Tampa Bay Rays fan how do you feel about their performance in the World Series last season?

I think my attached photo answers that question.



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