



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.

Updated SBL Single Counsel List

We have posted an updated [SBL Single Counsel](#) list for originations. If you have questions regarding the list, please contact [Colleen Dalton](#).

Updated SBL Commitment Amendment Form

We have streamlined the Commitment amendment and correction process with a unified form to document both types of changes. The new [SBL Commitment Amendment \(3-8-2019\)](#) is effective immediately for any changes to a Commitment. Contact [Filicia Davenport](#) with any questions. The Commitment Correction form is being retired.

Updated SBL Loan Documents

Today we posted updated versions of the following documents, which may be used immediately and **must be used** for any Commitments with an Effective Date on or after 4-8-2019. You can access all of the documents [here](#).

- Loan Agreement – SBL (3-8-2019)
- Note Fixed Rate – SBL (3-8-2019)
- Note Hybrid ARM – SBL (3-8-2019)
- Guaranty – SBL (3-8-2019)
- Tenancy in Common Borrower Rider to Loan Agreement – SBL (3-8-2019)
- Related Co-Borrowers with Related Parcels Rider to Loan Agreement – SBL (3-8-2019)
- Ground Lease Mortgage Rider to Loan Agreement – SBL (3-8-2019)
- Single Counsel Certification – SBL (3-8-2019)

Most of the changes are structural and intended to further simplify completing and reviewing our SBL loan documents. In addition, we've added "division" of an entity to the restricted actions in Section 6.13 of the Loan Agreement to address the change in DE law last year and deleted the representation that Regulatory Agreements are terminable at foreclosure.

- **Notes** – Prepayment and state-specific provisions are now selected in Article 1. This brings all of the variable terms up to the first 1-2 pages of the Note. The prepay and state-specific schedules will no longer be edited. The final Notes will be a few pages longer, but this move should improve data accuracy, particularly for prepayment options.
- **Loan Agreement and Loan Agreement Riders** – White text on a black background scans poorly, so the text color/shading on table headers has been adjusted to improve the review accuracy for our document digitization initiative. The titles of all updated documents is now black for the same reason.
- **Guaranty** – Applies the same concept as the Notes for state-specific provisions. The schedule will now always be attached & will not be edited. The parentheticals were added to the guaranteed obligations at SBL Single Counsel request to help borrowers/guarantors more easily

connect the guaranty obligations to the carveout provisions detailed in the Loan Agreement.

GO WEST SBL

We are excited to roll out strategic, programmatic changes to the pricing grid for the Western Region this week, effective for all loans put under app as of March 7th:

- Deals located in **Top Markets** in the **Western Region** will receive an additional 10 basis points discount for uncapped business. The incentive will now range from 25 to 35 basis points, depending on loan term.
- Deals located in **Top Markets** in the **Western Region** will qualify for the uncapped pricing discount so long as 30% or more of the units are uncapped. This is a reduction from the grid's current 50% requirement.

Contact your Western Region Producer to make any of the above changes in the Pipeline Management Tool (PMT).



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