



## 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.

### Rate-lock Changes Effective April 15

SBL's process of holding the coupon when you take a loan under application is an important part of the SBL program. We incur hedging and other costs in connection with that hold and we suffer losses when a borrower walks away after application. Historically, we have absorbed all of those costs and losses for loans that fall out during the underwriting phase. In order to compensate Freddie Mac for some of the those losses, and to ensure our ability to continue to hold the coupon across the program, effective for all loans with underwriting packages submitted on or after April 15, 2019, the Optigo<sup>SM</sup> lender is required to pay Freddie Mac liquidated damages in the amount of 1 percent of the proposed loan amount if the borrower fails to rate-lock the loan. The conditions upon which this liquidated damages fee are required are outlined in the [Guide Addendum](#) posted today. The April 30 Guide Update will incorporate these changes.

### Servicing Fee Changes

The variable servicing fee implemented in the summer of 2018 will no longer be applied. Effective for loans taken under application on or after April 15, Optigo lenders are required to charge a fixed servicing amount. Fixed servicing

fees for 5-year hybrid and fixed-rate loans in Top Markets will be 25 bps and all other loans regardless of market are 47 bps.

## SBL Seller Call

Save the Date! Steve Johnson, Catherine Evans, Dave Cardwell and Meg McElgunn will share updates on where the SBL business is, what we're working on and what new things are coming.

Wednesday, April 10  
3 to 4 p.m. ET

[REGISTER](#)



[Preferences](#) | [View in Browser](#) | [Privacy](#) | [Unsubscribe](#)

This email was sent to: [christian.allen@freddiemac.com](mailto:christian.allen@freddiemac.com)

© 2019 Freddie Mac  
8200 Jones Branch Drive, McLean, VA 22102