



## SMALL BALANCE LOAN UPDATE

### **Freddie Mac Staff:**

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### **Borrowers in Forbearance**

Given the COVID-19 pandemic, you may be working with a Small Balance Loan (SBL) borrower who has deals currently in forbearance with Freddie Mac, or another lender. As a reminder, both borrowers and sponsors must disclose current and prior forbearance arrangements when completing Form 1115-SBL and the loan is also subject to prescreen per Exception #19. If a borrower or sponsor requests forbearance on a loan after Form 1115-SBL has been completed, this is a material change in circumstances and a new Form 1115-SBL should be completed and submitted. Please note, having a deal in forbearance does not preclude SBL from financing another property for the sponsor. See the [Borrower & Borrower Principal Forbearance document](#) for more information.

### **Programmatic Exceptions and Credit Risks**

In our last update, we announced temporary changes to our [Programmatic Exceptions and Credit Risks](#). To further clarify our modification to Credit Risk #2, we have now added Programmatic Exception #35.

- Item #35: Student concentration (regardless undergraduate/graduate) up to 25% is subject to prescreen; greater than and equal to 25% results in no path forward

## **[New Credit Manager in SBL Underwriting for the Western Region](#)**

Please join us in welcoming [George Ung](#) to SBL Underwriting as manager of the West Coast Underwriting team. George came to Freddie Mac from Banc of California where he was vice president and manager of commercial real estate and multifamily underwriting and loan coordination. He brings a wealth of knowledge and experience of the West Coast markets and credit to the team. George received his MBA from the Paul Merage School of Business at the University of California Irvine. We will be introducing George through lender calls coming soon.

## **[Q1 SB-Deal Performance](#)**

This week, Freddie Mac Multifamily released the [SB-Deal<sup>®</sup> performance report](#) and [SBL investor presentation](#). Be sure to check them out for insights on how the SBL program and SB-Deals performed during Q1 of 2020.



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