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.

**Debt Service Reserve (DSR) Release Adjustments for Small Balance Loans (SBL)**

We’ve updated the SBL COVID-19 DSR rider. The revision permits borrowers to request release of the DSR to the extent the borrower can satisfy the outstanding due diligence and collections requirements even if federal/state/local states of emergencies remain in effect. If all other conditions are satisfied, the borrower can request the DSR be released 12 months after the first payment date.

The revised DSR rider will be implemented based on the status of loans as follows:

- **Prior to final commitment loans:** As of May 28, the automated commitment in the Origination and Underwriting System (OUS) will be updated to incorporate the change. Please confirm that the final commitments include the updated provisions.

- **Committed and rate-locked loans:** The updated DSR rider may be used for any loans not yet delivered to Freddie Mac and must be documented in a commitment amendment.
• **Previously funded loans:** With respect to previously funded loans, we intend to incorporate the changes in Freddie Mac’s treatment of DSR releases through updates to our securitization documents that will require the servicer to interpret the release conditions as set forth in the revised DSR rider. Nothing further will be required on your part.

Additionally, we have extended the conversion date for any funds remaining in the COVID-19 DSR to 15 months, allowing time for i) borrowers to submit their documentation, and ii) review and approval of the submitted documentation.

**Optigo Happy™ Digital Inspections**

On July 31, Freddie Mac will be disabling the email-based HappyCo model in order to improve the [Optigo Happy digital inspection platform](https://www.optigo.com). Any lenders who have not adopted the new tool will be required to submit the “Property Inspection and Lease Audit” Excel form for each property inspection, starting in August.

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**Borrower Certification of Property Condition**

We’ve updated our [Borrower Certification of Property Condition form](https://www.freddiemac.com) on the [Originate & Underwrite webpage](https://www.freddiemac.com/originate-underwrite) under References & Tools. The revised form limits borrower’s certification of third-party reports to those that are made available to the borrower.
When uploading this form to the Document Management System (DMS), please remember that it has its own unique document type.

COVID-19 Updates

We’ve updated our SBL COVID-19 FAQs. See question #10 for further clarification on DSR requirements and release of escrows.

And don’t forget to visit our COVID-19 webpage for ongoing updates and any emails you might’ve missed.