



SBL Loan Lab and Underwriting and Credit Workshop

This year we piloted our first Regional SBL Loan Lab in New York City. We had eight Sellers participate and were able to provide commitments on 23 loans for \$51 million in UPB. Not bad for a summer morning.

The afternoon focused on the first SBL Underwriting and Credit training, where 81 of our Sellers got an in-depth look at how we make credit decisions and got to do exercises and ask questions throughout.

Presentations from the workshop can be found here:

- [Rent Rolls and Income and Expenses](#)
- [Know Your Borrower](#)
- [Evaluating Sales Comps and Rent Comps](#)
- [Inspection App](#)
- [Workbook](#)

Pictures from the Loan Lab and Workshop are [here](#).

Reminder: Critical Repairs

(Guide Reference: 8SBL.17: SBL Physical Risk Report & 62SBL.3(b): Repair categories)

- The Seller/Service must verify that **all** Critical Repairs have been addressed and provide evidence of completion to Freddie Mac **prior to Freddie Mac's issuance of the Letter of Commitment.**

- **Critical Repairs** are repairs and replacements that significantly impact habitability, value, income, or marketability and that must be corrected before Freddie Mac will proceed with the transaction.

Best Practices: Additional Investigations Recommended by the Physical Risk Consultant

STEP 1: If any additional investigation is recommended by the Physical Risk Consultant, begin the process immediately and engage a consultant for the recommended investigation. Note that the Borrower is allowed to engage the consultant for the additional investigation.

STEP 2: Notify the Freddie Mac team that additional investigation is occurring along with recommendations once available. As with Critical Repairs, recommended remediation that significantly impacts habitability, value, income, or marketability of a property must be corrected before Freddie Mac will proceed with the transaction.

STEP 3: At deal submission, the 1104 should reflect that additional investigation has been performed along with the results and recommendations. Freddie Mac should also be notified of any remediation efforts that are, or will be, occurring along with a timeline for completion.