

SBL Update



New Guide Updates - August 17

As of yesterday, new updates were rolled out to our [Freddie Mac Multifamily Seller/Service Guide](#) (Guide). To learn about the changes, [read the news article](#).

Below are highlights of some updates that impact Small Balance Loans (SBL). Please note that the following is not an exhaustive list of all the included changes.

Key Borrower Principal Experience - 9SBL.2.c.2: Borrower and Borrower Principal

We updated language to clarify Key Borrower Experience requirements for properties containing two to four residential units. Please note that Exception #25 in the [SBL Programmatic Exceptions List](#) has been updated to correlate with this Guide update.

- “At least one Key Borrower Principal with Control of Borrower must have had control of and owned equity interest in at least 10 residential units consisting of 2- to 4-unit properties for a minimum of the preceding two years.”

Required Documents for Submission - 55SBL.2: Requirements for documents contained in the underwriting package or documents relating to a Transfer of Ownership.

Send Date: August 18, 2023

The Guide has been updated to require submission of the following documents for SBL deals. Please note that these documents are already required based on the [SBL Underwriting Checklist](#).

- Aged Receivables Report for all loans.
- Verification of Collections through Form 1144 or the most recent three months of operating statements. Please note that six months of trailing collections are still required for refinance deals and can be verified through operating statements.

Thank you for your collaboration and partnership as we continue to improve our processes.