



SMALL BALANCE LOAN UPDATE

Underwriting Turn Times

Effective October 4, our underwriting turn times will return to 12-business days. As a reminder, the timeline consists of the check-in process (2 business days) plus turn time (12 business days), which results in a time period of 14 business days from package submission to draft commitment letter (DCL) issuance. If the check-in process takes longer than 2 business days, there will not be an extension of the time period to DCL issuance.

Deal Submission Timing: For the purposes of this timeline, a deal is considered submitted if we receive it by 3:00 p.m. in the time zone of the Freddie Mac office for the region where the deal is located. If the loan is submitted after 3:00 p.m. local time, the package will be counted as a submission for the following day.

- Eastern Time Zone – Northeast and Southeast regions
- Central Time Zone – North Central and South Central regions
- Pacific Time Zone – Western region

Please find a detailed explanation of our deal turn time [here](#).

Website Refresh

Things may look a little different on our [Freddie Mac Multifamily website](#). This morning we launched an updated website design that has a new look and feel. Other than separating our news and research sections, the navigation is

unchanged – so, the applications and documents you and your teams use frequently will remain easily accessible.

Optigo Happy for Origination Inspections

Starting today, October 1, the use of Optigo Happy is mandatory for all origination inspections. This means Optigo Happy must be used to schedule and complete all property inspections, whether on-site or virtual.



Also, effective today, each Optigo Happy lender virtual inspection will have a \$300 cost, payable to HappyCo. There continues to be no per-inspection charge for using the on-site mobile app to conduct an inspection in person.

[View Overview Document](#)

Register for Optigo Now

Join us virtually this fall for Optigo Now, a series of four concise weekly sessions covering our business and the industry.

For session details and how to register, please click the link below.

[Optigo Now](#)

Updated SBL Documents

We've updated the [Loan Agreement – SBL](#) and the [Tax Abatement Rider to Loan Agreement – SBL](#), which can be found on the [SBL Borrower Documents webpage](#).

The updates include a revision to Section 3.05 of the [Loan Agreement – SBL](#) to conform the SBL recourse provision with the recourse provision in Conventional and Targeted Affordable Housing (TAH) documents, as well as, correcting a web link in the defined term “FHFA SCP List.”

The [Tax Abatement Rider to Loan Agreement – SBL](#) now includes a non-recourse carve-out to address the rare situation that a Tax Abatement is not paired with a Regulatory Agreement. Typically, the non-recourse carve-out addressing Tax Abatements is included in the Loan Agreement carve-out relating to Regulatory Agreements.

Please see the attached [Description of Legal Forms Updates Chart](#) for brief explanations of the October 1 revisions. Redlines of the [Loan Agreement](#) and the [Tax Abatement Rider](#) are attached for your convenience.

We will require the use of all updated documents on loans for which Freddie Mac issues the commitment (or receives the application) on or after November 1. Prior to November 1, you *may* use the October 1 documents, but earlier use is not required.

Small Talk

Each week we welcome questions from you in the Small Talk series. Please continue to submit questions to the [Small Talk mailbox](#) to hear from a select member of our team in the following week's *SBL Update*.

This week we're featuring [Paul Kolling](#). Paul is co-head of the Structuring team within the Multifamily Capital Markets Division.



Paul and his family in July, fresh off a victorious "Family Survivor" battle in Kiawah, South Carolina.

From your perspective, what makes SBL unique?

Most K-Deals® generally have just one collateral type with the same rigid prepay type per deal, making pricing and structuring a bit simpler. However, in comparison, our FRESB deal structure has multiple products and prepay

types, along with a more complicated B-piece all in the same deal. This just means our team needs to stay heavily involved in both the pricing piece and the securitization piece for SBL. These challenges also allow us to be involved in many of the traditional capital markets aspects beyond the pricing grid, such as working with investors, helping solve post-securitization issues with asset management, working with our dealers, and of course being good partners with production, underwriting and our lenders. It all makes for a very strong and engaged structuring team!

What's Paul's background at Freddie Mac?

I reached the 20-year milestone at Freddie Mac this year, all in Multifamily and all in earlier generations of “capital markets.” I spent most of my time here leading a team that was the precursor to Portfolio Pricing. In those earlier years, I was heavily involved in several efforts to get a small balance program up and running back in 2005. It was so gratifying to join Capital Markets in early 2015 and help officially usher in the program to the market.

Life after Freddie Mac?

Looking way ahead, my wife and I would LOVE to retire in Hawaii. We are big fans of the Islands and travel there with our family as often as we can. (My wife would also love to retire to Orlando and work as a greeter at the Magic Kingdom, but let's stick to the land of two scoop plate lunches for now.) And yes, it's one of the most expensive places in the world to live, but it will be worth it for our own slice of paradise!



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