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.

**Nashville Virtual Pop-Up**

Don’t forget to register for our next virtual pop-up in Nashville on **October 14 and 15**.
Please invite your borrowers to a video call with our Small Balance Loan (SBL) production and credit teams. We’ll give an overview of how we work, discuss the market and possible credit exceptions, and offer high level prescreens – tailoring it to what your customer needs.

If you haven’t already, complete this registration form as soon as you’ve identified a borrower you’d like to bring, and our Southeast team will reach out to schedule the appointment. There is no limit to how many meetings a lender can schedule. We look forward to virtually “seeing” you in Nashville soon!

Register Now

Updated SBL Prescreen and Exception Request Form

The Prescreen and Exception Request form has been updated to reflect the new exception list. As a reminder, exceptions and prescreens need to be entered into the Pipeline Management Tool by the time they are sent to Freddie Mac for review. Failure to do so may result in delayed turn times on your requests.

Updated SBL Programmatic Exception Form

In the new SBL Programmatic Exception List form, we inadvertently left off this programmatic exception: Very Small Market loan where the Controlling member is new to Freddie Mac and the Optigo® lender. The form is now updated to include it.

Rent Roll Template

We recently discovered that the Rent Roll Template mentioned during the SBL Guide Update training was not immediately made available, but we’re pleased to share that it is now accessible to you online. Please be sure the Rent Roll being provided includes all of the requirements of Chapter 55SBL.2-Rent Roll.

You can find all of our updated documents on the Originate and Underwrite webpage.
**Borrower Baseline Experience**

Prescreen is still required if the borrowing principal does not satisfy the minimum requirement as defined by the borrower baseline experience. The Borrower Baseline requires at least one borrower principal who must have a controlling interest in at least one of the following:

1. Subject property for at least five years
2. A minimum of three multifamily properties (consisting of five units or more), which may include the subject
   - The first property being acquired no less than two years prior to the loan application date.

Once Freddie Mac agrees on proceeding, the 0.05x adder will be applied. Applying the 0.05x adder does not eliminate the need for the prescreen.

Please reference Section 9SBL.2(c) of the *Multifamily Seller/Servicer Guide* for the official guidance.

**SBL Refinance Analysis**

In case you missed it, on Wednesday, September 30, we posted the revised SBL Refinance Analysis – a required part of the full underwriting package submission. For all deals in underwriting, and no DCL issued, Cash-Out is now furthered defined within the SBL Refinance Analysis.

**Small Talk Series**

Each week we’re welcoming any questions from you, our Optigo® lenders, in the new Small Talk series. As we receive questions, a selected member of our team will answer in the following week’s SBL Update with their fresh perspective. Please continue to submit any questions to sbl_weekly_questions@freddiemac.com to hear from us!

This week we are featuring Abbey Lipson and Ross Drucker. Abbey and Ross are members of the production team in the Northeast region.
While both of you are based out of the New York City office, have you relocated elsewhere during the pandemic?

**Abbey**: New York City has been my home for eight years, but I have temporarily relocated with my husband to Delray Beach, Florida where my parents and brother live. Until my parents decide to kick us out (probably sooner rather than later), we haven’t made plans to return to our apartment in the city. We are enjoying living amongst the retirees of South Florida.

**Ross**: New York City has been my home for over seven years, but my wife and I have since left Manhattan and have been living with family on Long Island. I look forward to being back in the office and seeing my colleagues and customers in person again.

**What is a common question that you receive about programmatic guidance in the Northeast?**

Commercial income! This is one that we receive on a frequent basis, and reviewing commercial income definitely takes some time out of our days. Compared with other regions, the Northeast has the largest concentration of mixed-use properties, especially those located in the NYC metro. Some recent commercial tenants that have been approved are delis, supermarkets, food and beverage outlets that have always operated as take-out establishments (i.e., fast food), and medical-related commercial space. We will need to verify that the commercial tenant has been open and operational throughout the pandemic and is current on rent. You can also refer to the commercial income guidance that was provided in the September 25 SBL Update for further details.

**What recent guidance are you most excited about?**

We’re excited that there is new guidance surrounding the definition of cash-out! The new guidance allows for the inclusion of the COVID-19 Debt Service Reserve as a permitted transactional expense in calculating the cash-out amount. Other permitted transactional expenses include the prepayment
premiums or penalties paid by the borrower in connection with the loan being refinanced, permitted closing costs (not to exceed 3% of the UPB of the new loan), and escrowed discretionary capital improvements.

Tell us about your photo?

Abbey: My husband and I visited Montreal in January (yes, it was extremely cold). This is the last photo I have pre-COVID-19.

Ross: My wife took this photo of me in my current work environment. While it is comfortable, I miss the office and ability to travel!