



## SMALL BALANCE LOAN UPDATE

### 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.

### Tips & Reminders on Pipeline Management Tool (PMT) and Loan Applications

The following tips and reminders cover the most common issues that cause a delay in the price confirmation of a deal submitted for final underwriting. Please keep these practices in mind to ensure an efficient and timely deal process as we push through the fourth quarter into year-end.

- The 'Broker Fee' tab in PMT needs to be completed for **all** deals (direct and brokered)
- The 'Under Seller App' date should match the date that the borrower executed the loan application
- Ensure that the proper corresponding pricing grid date is selected in PMT based on the date of the executed loan application
- Be sure to update PMT after completing the full underwriting package so that PMT matches the information provided in the submission
- Discount requests must be entered in PMT even when an email approval has been issued by Freddie Mac

- For all new hybrid loan applications, please remember to select the **SOFR** options from the **Loan Structure** dropdown field. The LIBOR hybrid options are no longer available.

## Small Talk

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](mailto:sbl_weekly_questions@freddiemac.com) to hear from us!

This week we're featuring [Dawson Granade](#). Dawson is a production manager in the Southeast region.

**There have been several recent changes related to borrower financial strength. Can you elaborate on the adjustment to the FICO requirement?**

One of the recent Small Balance Loan (SBL) program changes we rolled out was an increase to the minimum guarantor credit score from 650 to 680. For each loan we must have at least one guarantor with a credit score of 680 or higher.

While we've increased the score, we are no longer requiring ALL guarantors to hit the minimum score. We still have the ability for an exception so please reach out to the appropriate regional production team to discuss.

Please also note that if the guarantor's credit report has scores from three bureaus, we use the average of those scores. But if the guarantor's credit



report has only two scores, we will use the lower of those two scores. One last thing – if the sole guarantor who meets the requirements is not really involved in the day to day, let's discuss it further upfront.

### **What have you enjoyed the most about the Washington, D.C., area since relocating from Marietta, Georgia?**

We moved to the D.C. area in 2017 to live closer to family, which has been great. I'm from Marietta (Atlanta metro) but don't have much family left in that area. My wife is from College Park, Maryland, and most of her huge family is still in the D.C. area so my kids have been able to spend a lot more time with grandparents, aunts, uncles and more cousins than I can count. One of our favorite places to visit is the National Arboretum. I recommend checking it out if you're ever in D.C. – very peaceful with a cool bonsai exhibit.

### **Are you now a D.C. sports fan?**

No! Well, I shouldn't say that. I've become a casual Caps fan, mostly from sitting next to Dave Cardwell before he retired. Otherwise I'm a dyed-in-the-wool Atlanta sports fan, for better or for worse (mostly for worse). Go Braves!

### **Thank You for Attending the Nashville Pop-Up**

We had a successful week hosting virtual pop-up meetings in Nashville. Thank you to those who joined us! We look forward to meeting with more of you and your borrowers across the regions. In the upcoming SBL Update, we will announce where we are heading next.



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