



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](#).

2021 Volume Cap

Earlier this week FHFA announced that Freddie Mac Multifamily will have a volume cap of \$70 billion in 2021. In case you missed it, check out [FHFA's release](#) and [Debby Jenkins article](#) for more details. As it relates to the Small Balance Loan (SBL) program, we remain focused and dedicated to our mission of providing stability, liquidity and affordability to all markets.

Reminder: Year-end Cutoffs

Lender Closing: Tuesday, December 1, is the last day to submit a full and complete package to SBL Underwriting in order to rate lock in 2020. Please note that the ability to rate lock prior to year-end depends upon 1) the quality of the package, and 2) timely responses from the lender and sponsor.

Extension of Underwriting Turn Times: For all full underwriting package submissions sent to Freddie Mac on or after Wednesday, December 2, we will be extending the turn time from 9 to 12 business days. A 12-day turn assumes a full and complete underwriting package is submitted and accepted by Freddie Mac.

Freddie Mac Funding: Friday, December 11, is the last day to submit a final delivery package to Freddie Mac's Purchase group to ensure that a loan is funded by Freddie Mac in 2020.

SBL Hybrids: Thursday, December 31, is the last day Freddie Mac will purchase LIBOR-indexed SBL hybrid loans. Please submit final delivery packages to Freddie Mac's Purchase group by Friday, December 11, to ensure that all LIBOR-indexed hybrid loans are funded by December 31.

Optigo Academy is Here

Have you checked out the newly launched online learning center, [Optigo Academy](#)? A wide variety of [SBL courses](#) are now available to you – with the opportunity to earn a certificate for each completed session and further develop your skill set.



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 to hear from us!

This week we're featuring [Rick Farmer](#). Rick is an underwriting manager in the Northeast region.

What is your all-time least favorite holiday song?

Mariah Carey's "All I Want for Christmas" – that's all I'm saying or else I will say something unfortunate.

What's an issue you are seeing during the pandemic within your region?

Due to the economic circumstances around the pandemic, market rents in some submarkets in the NYC metro area are falling in real-time, and rent comparables provided by appraisers may be stale even if they're only a few months old. The decline is likely to be more apparent in expensive



Rick Farmer: "This was a recent visit to Central Park to see the fall colors."

submarkets located within Manhattan and Brooklyn so it's important that lenders with deals in these submarkets look to other resources that can provide additional support for market rents in addition to the appraisal report. You should also be on the lookout for generous concession packages which are now being offered in some areas. Websites such as Streeteasy.com, Nooklyn.com, Hotpads.com and Apartments.com are helpful resources to reference potential real-time rent declines and concessions. Also, pay close attention to rental rates for new leases being signed at properties in comparison with historical lease rates, which can be another indication of potential declining rents. Underwriting should be adjusted accordingly, including rent markdowns, to reflect rent decline trends occurring within the market or at the subject property. Please reach out to the Northeast Underwriting team if you have any questions about how to approach this situation if you come across it in submarkets within the Northeast.

What are you doing to get through the pandemic as winter arrives in NYC?

I told myself the other day that I was going to start watching holiday movies like the ones on Lifetime and Hallmark to get me in the holiday spirit. However, my plan has already gone a little awry as I started watching the new movie *Holidate* on Netflix and only made it about 20 minutes into the movie before I couldn't make it any further with all the twist and turns of the plot (just kidding). But I'm not giving up. There's an endless amount of options to choose from and I have time for plenty of false starts these days. Happy Thanksgiving to everyone and I hope you have the perfect "Holidate" to accompany you.



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