



SBL UPDATE

Bank Statement Requirement – Update

Effective immediately, bank statements are no longer required for deals in Top, Standard and Small markets. Per section 9SBL.14 of the *Freddie Mac Multifamily Seller/Service Guide*, bank statements are still required in Very Small markets for both acquisitions and refinances. If due diligence does not correlate with collections as represented by the borrower, the Optigo® lender should consider requesting bank statements as additional support no matter the market tier. Additionally, Freddie Mac may still require bank statements during underwriting if additional support for collections is needed.

New Guide Bulletin Published – Important Updates for SBL

We published a new Guide Bulletin yesterday, February 17.

[Read about the changes](#)

Please note that there are several areas that impact SBL underwriting directly in the new Guide Bulletin. Highlights:

Proof of Rent Registration is Only Required for Properties in New York and is No Longer Required for New Jersey (effective for all deals as of 2/17/22, including deals that have been submitted by Optigo lenders to Freddie Mac)

“Seller/Service providers are no longer required to provide proof of registration for any Properties subject to rent control/stabilization except for Properties located in

New York State. Freddie Mac may, however, still require proof of registration in other States if deemed necessary. We are updating Sections 55.2, 55SBL.2, and Exhibit 1.2, Small Balance Loan Underwriting Checklist, to reflect this change.”

[Dynamic Checklist](#) – Please note that the Dynamic Checklist has been revised to remove the requirement to submit rent registrations for New Jersey properties. The updated checklist is available on the Multifamily website.

Borrower Principal Baseline Compliant Experience (effective for all deals as of 2/17/22, including deals that have been submitted by Optigo lenders to Freddie Mac)

“We are updating Section 9SBL.2(c) to state that at least one Borrower Principal with Control of the Borrower must meet the minimum experience requirements at the time of the “as of date” of the Form 1116, Seller Application, or submission of the full underwriting package.”

As long as multifamily experience is compliant at either the time of the “as of date” for the Form 1116, at seller application or at submission, regardless if the Borrower Principal disposes of an asset and falls below the three-property multifamily minimum requirement in the SREO for SBL, the Borrower Principal still qualifies as having compliant multifamily experience and does not need to be prescreened for lack of experience.

Commercial and Other Nonresidential Leases – Impacts to SBL Appraisals and Physical Risk Reports (effective for deals taken under application as of 2/17/22)

“We are clarifying that nonresidential leases that are not traditional commercial spaces must undergo the same rent comparable analysis as traditional commercial spaces. Also, inspections completed by appraisers and property condition consultants must include all external areas subject to nonresidential leases, if accessible. We are updating Sections 60.12(b), 60.19, 62.5(a) and 62SBL.5(a) to reflect these changes.”

Housekeeping Item Related to SBL – Non-permitted Units (effective for all deals as of 2/17/22, including deals that have been submitted by Optigo lenders to Freddie Mac)

“Section 8SBL.5 to specify that the underwritten income from the Property must exclude the gross potential rent (GPR) for any Non-Permitted Unit and the total unit count must not include the Non-Permitted Unit.”

Multifamily All Stars



Freddie Mac Multifamily has a roster full of All Stars, with different backgrounds and viewpoints, who work every day to compete for your business and achieve housing equity and affordability. This month's Multifamily All Star is SBL teammate and leader [Tyrone Purdie](#). He shares his perspective on diversity and tips for a successful real estate career. Read his [story here](#).

Welcome Gerard!

Gerard Smith recently joined the SBL team as an underwriting associate in the Northeast region. He is a graduate of Villanova University with a Bachelor of Arts in Communication. Before joining Freddie Mac, Gerard worked at Burgiss, Acres Capital, and Cushman & Wakefield. A native New Yorker, Gerard brings a wealth of market knowledge to the team. Please join us in welcoming Gerard to the team!



Gerard Smith



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