



Extension of Underwriting Turn Times

For full underwriting package submissions sent to Freddie Mac on or after November 29, we will be extending the turn time from 12 to 15 business days. The timeline consists of the check-in process (2 business days) plus turn time (15 business days), which results in a time period of 17 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.

Reminder: Year-End Cutoffs

Lender Closing: Wednesday, December 1, is the last day to submit a full and complete package to SBL Underwriting in order to rate lock in 2021. 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.

Freddie Mac Funding: Friday, December 17, is the last day to submit a final delivery package to Freddie Mac's Purchase Team to ensure that a loan is funded by Freddie Mac in 2021.



Optigo Now

Thanks to all who have joined us during the Optigo Now series. Next week is the last Optigo Now session: What's Moving the Markets – Macroeconomics and a Market Outlook. You can catch it on Wednesday from 2-3 p.m. ET. For session details and registration, please click below.

[Optigo Now](#)

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 [Elena Olivos](#). Elena is an underwriter in the North Central region.



[Elena and her family at her daughter's softball game.](#)

How are you identifying and addressing borrower draws where the borrower is including dividends in the management fee to pay back to themselves and/or investors?

At times, we've seen borrower draws within the historical profit and loss statements in the management fee category, which can inflate it to 12%-24%! It's best practice for borrowers to not include dividends in the management fee, but as an additional line item "below the line" in the financial statements, especially when the management fee is greater than contracted or the proposed underwritten fee. If these dividends have historically been in the

11/12/2021

statements, the lender should explain any proposed underwritten differences from the historical operating statements in the Mortgage Transaction Narrative Analysis.

Is SBL comfortable underwriting to a market fee if there is no management agreement and the sponsor self manages the property?

For an acquisition, maybe. For a refinance, it becomes challenging to deviate from historicals. We will want to be in line with market and not below historical property management fees. Should the historical management fees include borrower draws, we will need to break out the variance to understand what the management fee paid has been.

What was your silver lining from the COVID-19 quarantine?

In January 2020, I adopted a male Victorian Bulldog and named him Zeus. He took up a lot of our time during quarantine and kept us busy. The kids, my husband and I also played plenty of board games – our favorite was Game of Thrones Monopoly. I really appreciate the extra quality time we had together – it is priceless and made us closer. After the quarantine, we traveled together as a family in the summer to watch my eldest daughter play softball because soon she will be off to college.



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