

## ASSESSMENT RESUBMISSIONS

### 1. Assessment Resubmissions

- A 5-day hold period is not applicable to resubmitted assessments. The assessment will move to accepted status within 24 hours of resubmission. Resubmissions require all attachments to be resubmitted with the appropriate due-date naming convention.

## CHANGES IN GENERAL LOAN INFORMATION

### 1. Unit #, Unit Mix, Property Name Changes

- Email [mf\\_data\\_mgmt@freddiemac.com](mailto:mf_data_mgmt@freddiemac.com) with supporting documents to update the Property Reporting System (PRS) and Freddie Mac's internal records. The request should also explain the reason for the change and discuss the necessary approvals obtained if necessary.
- The request for the change should be made prior to the assessment submission to eliminate a Data Warning.

## ANNUAL INSPECTION FORM (AIF)

### *Submission requirements*

#### 1. AIF package upload requirements

- Per Chapter 40 of the *Multifamily Seller/Servicer Guide*, Freddie Mac requires Servicers to submit the completed AIF template and attachments in PRS no later than 60 days after the date of inspection. This can be in an earlier quarter than the AIF due date. However, please note that the due date for future inspections will be adjusted to the quarter-end of actual submission (essentially making a permanent due date change upon early submission).

#### 2. Reporting commercial units

- If details such as rents, lease terms, expiration dates, and tenant name are not already included in the rent roll, you should include the information in the user worksheet in the AIF template. Please comment if commercial units are an issue that negatively impacts the property.

### *Form Reminders*

#### 1. General Info Tab

##### a. Loan Balance

- If there is more than one Freddie Mac loan, the Servicer should report the combined Freddie Mac UPB for the loan balance.

##### b. Contact Information

- Enter primary preparer of the AIF, which is typically the Servicer and not the property management company. These details provide Freddie Mac with a point of contact if there are any questions about the AIF submission.

##### c. Investor Loan #

- Enter Servicer loan # if not pre-populated.

- d. O&M Plan
  - Property management does not necessarily have to produce O&M certification during the inspection to be considered compliant with O&M requirements. However, the Servicer should ensure that there is no evidence of the property being non compliant and enter the appropriate response accordingly.
  - Response to this question should be consistent with the response to the question “Is the property in compliance with all O&M Plan(s)?” in the Management Interview tab.
- e. Number of units
  - Include only residential units; exclude commercial units.
- f. Vacant Space
  - Include down units.
- g. Down Space
  - Response should be consistent with response to the question “In the past 12 months, have there been any fires, significant water intrusion or other property damage?” in the Management Interview tab.
  - The number of down units reported should be consistent with unit mix section in the Multifamily tab.
  - If the down space is a result of a hazard loss, determine if the Hazard Loss Notification and Plan, Form 1140, is required per Chapter 43 of the *Multifamily Seller/Servicer Guide*. Submit and explain actions taken where appropriate.
- h. Change Since Last Inspection
  - A “Yes” response should refer to a change in the property management company not the property manager.
  - If a property management company change has occurred, determine if approval is required/has been obtained or if Servicer-delegated approval is allowed per Chapter 43 of the *Multifamily Seller/Servicer Guide*. Comment on actions taken accordingly.

## 2. Physical Condition and Deferred Maintenance Tab

- a. Overall Property Rating
  - Rating should be consistent with individual property component ratings and trends. Provide explanations if there is a discrepancy.
- b. Deferred Maintenance Items
  - If the space provided is insufficient, provide additional information in the User Worksheet tab. Enter main items and larger cost to repair items on the Physical Condition & DM tab.
  - Exclude Upgrade Capex (including those defined in Repair Agreements) and hazard loss (covered by insurance) amounts from deferred maintenance. You should include these amounts in the Capital Expenditure section on the General Info tab.
  - For Senior Housing supplemental items, list deferred maintenance separately on the Srs Supplemental I tab. Do not enter duplicate amounts in both tabs.

**3. Photos**

- a. Submission is now required as an additional attachment.

**4. Management Interview Tab**

- a. Average rents
  - Report per unit per month (not per square foot).
  - Explain if market rents differ significantly from subject's average rents.
- b. Question on fires/significant water intrusion / property damage in the past 12 months
  - Response should be consistent with down units.
  - Determine if Form 1140 is required per Chapter 43 of the *Multifamily Seller/Service Guide* and submit where necessary. Explain actions taken where appropriate.
- c. Question on compliance with O&M Plan(s)
  - Response should be consistent with O&M Plan question on General Info Tab. Do not choose Not Applicable if an O&M was required at origination.

**5. Multifamily Tab**

- a. Unit breakdown
  - Only include information on residential units, exclude commercial unit details in unit breakdown. Commercial unit information should be included in rent rolls, comment section or the additional User Worksheet tab.

**6. Seniors Housing Addendum**

Part II: Resident Rooms/Occupancy

- a. Question on unit mix compliance specified in the mortgage and/or approved by Freddie Mac since origination.
  - Freddie Mac approval is required if there is > 10% change in type of service provided (not unit mix within service type).

Part VI: Regulatory Compliance -- Regulatory/ Licensing Agency and Regulatory/ Licensing Agency Inspection Sections

- These two sections within the Regulatory Compliance tab are not applicable for senior housing facilities that do not provide personal care services (for example, 100% Independent Living facilities). However due to current form limitations, the fields below cannot be left incomplete. Please enter the responses as indicated while Freddie Mac is working on getting this issue corrected:
  - Enter "Inspection date" for Expiration Date of Operating License.
  - Enter "N/A" for Certification/Licensure.
  - Enter "No" for deficiencies cited /penalties (monetary/non monetary) assessed.
  - Enter "Yes" to Agency considers property in compliance.
- b. Expiration date of Operating License
  - For evergreen licenses, enter date of next scheduled Agency inspection.

**LOAN MANAGEMENT FORM (LMF)***Form Reminders*

- 1. Question relating to Borrower compliance with insurance requirements has been removed**
  - Monitoring insurance compliance is the Servicer's responsibility. While there is no need to comment on insurance related matters in the LMF, channel all insurance related issues/questions to the Servicer internal insurance department. Insurance waiver request can be submitted through the Insurance Compliance Tool available on the FreddieMac.com/multifamily website under "Asset Management."
  
- 2. Question relating to Borrower/property in a non-monetary default of loan documents**
  - Continue to verify that Borrower/property is compliant with terms within the loan documents (e.g., regulatory requirements/rent regulations, unauthorized lien requirements, change in property management/Borrower/Principal). While there is no need to affirm compliance, provide comments on nature of any non-compliance, actions taken and any pertinent information.
  
- 3. Escrows questions**
  - Report escrow balances **only** in cases where you have cited that there is an escrow problem and/or there are significant concerns regarding the physical condition of the property. For example, if property condition is rated 4/5 declining or deferred maintenance > 5% or >\$500K, report if replacement reserves are funded and provide current balance amounts. Similarly, if there are repair escrow issues, report if escrows are funded, completion due dates (including extended due dates), percent completed and significant outstanding items.
  
- 4. Comments section**
  - There is no need to enter "N/A" or "No Issues" or affirm Borrower compliance. Comments should highlight and explain non-compliance issues, actions taken/action plans, approvals obtained and other noteworthy information.

**INCOME AND EXPENSE***Overall AIE/QIE Submission Requirements*

- Upload coded statements if available.
- Servicer contact information: Enter the Preparer's name (not Asset Manager's name), especially bulk templates where data retrieved from internal systems may not accurately reflect Preparer of I&E information.

*I&E Submission Template*

- 1. Property & Loan Overview**
  - a. Debt service
    - i. Variable rate loans with SWAP Agreements

- Debt service should be calculated to include 1) Fixed Rate + 2) Fee stack (Freddie Mac Net Spread+ Servicing fee). Typically, for loans where the floating rate is lower than fixed rate, Borrowers report the SWAP payment differential as interest expenses and this amount can provide a check against the calculated debt service.
- SWAP/Cap escrow payments should be included in Misc Expense.
- Provide breakdown of debt service and description of escrow payments on the comments tab where applicable/available.
- ii. For variable rate bonds, continue to complete the Freddie Mac Bond ADS.
- iii. For securitized supplemental loans with Freddie Mac
  - Include debt service on the loan included in the K-deal as well as outstanding UPB of the loan in the K-deal as an additional Freddie Mac lien in the Freddie Mac debt stack (i.e., add as a 2<sup>nd</sup> or 3<sup>rd</sup> lien in the left hand table of the template). The total Freddie Mac debt service should include both the debt service for the K-deal loan and for the supplemental.
  - Enter actual debt service paid for K supplemental during the reporting period (i.e. do not annualize debt service on supplemental loan funded in mid-2012).
- iv. If applicable, complete Other Subordinate Financing
- b. Statement Beginning and Ending Date
  - For reporting period based on operating statement, e.g., 01/01/2013 to 12/31/2013, not 2014.
- c. Income Analysis Section
  - i. AIE: Enter Units and Rent breakdown for occupied, vacant/down/non-revenue units.
  - ii. QIE: Only Unit breakdown is required.

## 2. Income and Expense Section

- a. Vacancy / Collection loss
  - If ONLY collection loss reported without vacancy, enter total income in EGI line.
  - If no vacancy loss reported, enter total income on EGI line.
- b. Management Fee – enter actual amount reported in Operating Statement (Servicer is no longer required to adjust to contractual amount). Comment if management fee is excessive/abnormally low as part of analysis.
- c. Utilize Adjustment column to show Income and Expense line item omissions and additions.

## 3. Comment Section

- a. Provide meaningful comments where necessary
  - There are significant variances in subtotals/totals taking into account absolute amounts (rule of thumb is 20% variance but take into account absolute amounts of variance as well, i.e., \$5,000 versus \$500,000).
  - Changes in the way items are reported year to year.
  - Include omitted items in comments.
  - Odd fiscal year-end.
- b. Freddie Mac maintains the right to return an assessment with inadequate comments.