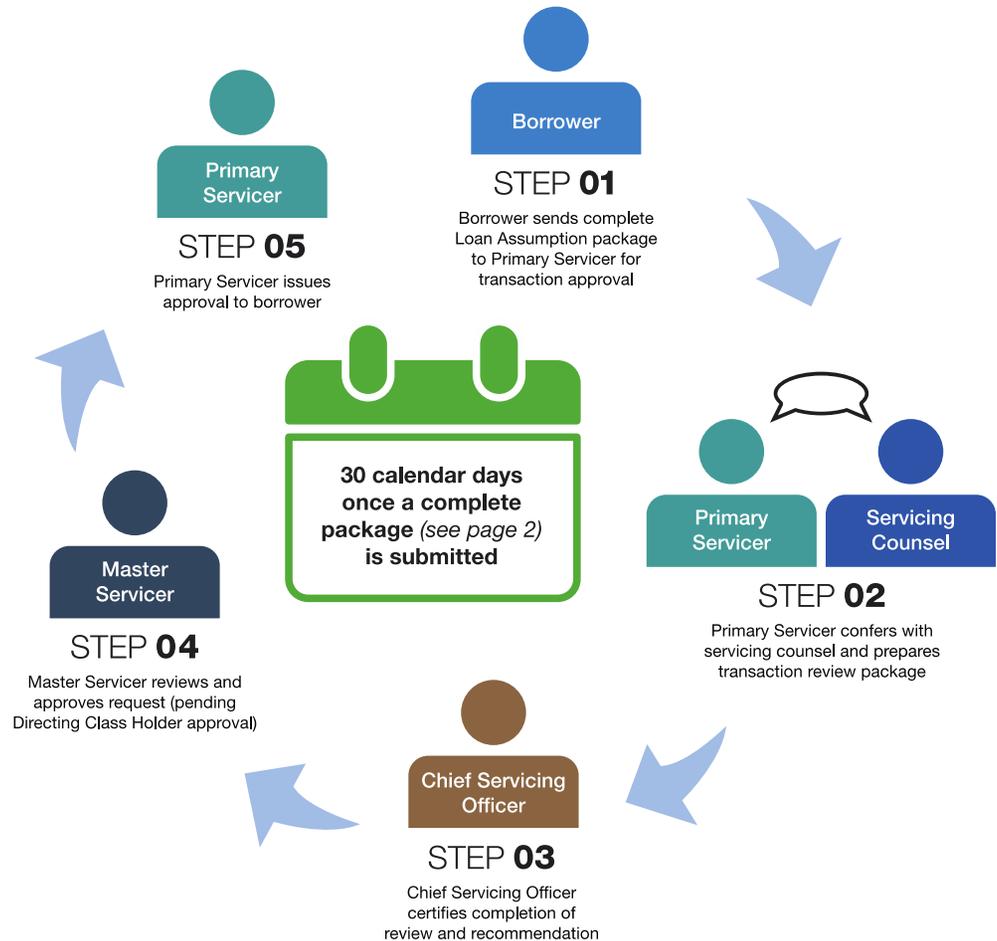




## Providing a Better Loan Assumption Process for Borrowers

### Best Practices for Originators.

- Manage timing expectations: the clock starts upon receipt of a complete package
- Communicate how the complete package drives the process
  - Organizational structures and Phase I timing are critical
  - “Half baked” deals don’t work
- Hold a kick-off call with the borrower
- Keep the feedback loop open with the borrower





## Providing a Better Loan Assumption Process for Borrowers (cont'd)

### **A complete Loan Assumption request package from the borrower/sponsor must include:**

- Copy of executed contract of sale
- Current financial statements and of proposed transferee and its principals, along with credit reports, real estate experience and background for each
- Current and proposed detailed organizational charts
- Freddie Mac Form 1115 – Borrower and Borrower Principal Certificate(s)
- Freddie Mac Form 1116 – Real Estate Schedule for proposed transferee
- Information regarding proposed professional manager and/or transferee's management experience
- Evidence of insurance
- Current, certified financial statements for property (T-12, if not previously submitted to Servicer)
- Proposed new borrower year 1 budget for property
- Moisture Management Plan, certified by the Servicer
- Copies of third party reports related to the ownership transfer, if necessary
- Applicable fees