

Annual Loan Management Form

Desk Reference



INTRODUCTION

This desk reference introduces the Loan Management form, highlights the submission protocols and template submission requirements, and provides guidelines on how to complete the form to ensure pertinent information on compliance of the Borrower with mortgage requirements are communicated appropriately.

The Annual Inspection vs. Loan Management Form

- The **Annual Inspection Form (AIF)** focuses on detailing the property management performance and the physical condition of the Subject.
- The **Loan Management Form (LMF)** focuses on the compliance of the Borrower with mortgage requirements and highlights any other potential problems associated with the Borrower or loan.

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SUBMISSION PROTOCOL

This table lists submission protocol for LMF

Steps	Comments
Quick Start Guide	<p>For successful completion of the LMF and submission to PRS, observe the following quick start guide:</p> <p>The LMF template is in Microsoft Excel 2003 format and can be downloaded from PRS. Once downloaded, users must enable Macros in Excel for all validations and conditional formatting to work properly. (See instructions for Excel 2007 here: http://office.microsoft.com/en-us/help/enable-or-disable-macros-in-office-documents-HA010031071.aspx)</p> <p>The template is to be completed and stored on your local machine, file server, or document management system (depending upon local IT policies and procedures). Upon successful completion and validation that all fields have been correctly entered by the user, the Excel template file will indicate a status of “Complete”.</p> <p>Once the status of the forms indicates “Complete”, the completed form can be uploaded into the PRS system. Any Assessment(s) with a status of “Incomplete” will be automatically “Rejected” by the system, for the user to correct and attempt upload again.</p>
Retrieve the LMF	<p>Within PRS, you have the option of downloading a blank or a pre-populated LMF form. When you download a pre-populated form, the system will populate the following data fields where applicable:</p> <ul style="list-style-type: none"> Freddie Mac Loan Number Property Name Servicer Name Owner of Loan Investor Loan Number
Understanding the LMF	<p>Always enable the macro and Active X controls before using the template Required inputs are denoted by red borders; some cells become required inputs depending on responses from preceding cells</p> <ul style="list-style-type: none"> Formula driven cells are protected Comments boxes describe data validation rules Completeness checks available on each worksheet
Complete the LMF	<p>The LMF is an Excel based workbook that contains a worksheet providing Borrower compliance information and other potential issues associated with the Borrower or loan.</p>

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NEW SUBMISSION PROTOCOL cont'd

Steps	Comments
Verify the Template for Completeness— Submitting the LMF	<p>The form has a series of validation points to assist you in completing them:</p> <p>Completion Status: Provides a status of “Complete” or “Incomplete”. The LMF needs to have a “complete” status to be submitted</p> <p>Required Fields: Fields requiring user input will include a red border around them. All red borders within the form need to be cleared before an LMF can have a “Complete” status</p> <p>Valid Data Format: Certain fields contain validation rules that check whether or not the value entered into the field is correctly formatted. Such fields contain comments regarding the format rule. You will have to meet all format rules for the LMF to have a “Complete” status</p> <p>Forms that do not pass the completeness verification will not be accepted and will be rejected for submission. Only completed forms will be accepted by Freddie Mac.</p> <p>Incomplete forms or forms with incorrect data will be rejected by Freddie Mac and Servicers will be notified at the time of submission.</p>

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FRE LOAN MANAGEMENT ITEMS

Section	Data Fields	Comments
Loan and Servicer Information	Submission Period	Enter the Submission Period , which is the year in which you are submitting the information i.e. 2012.
	Data as of Date	Enter the “As of date” of information provided within the template
	Name of Analyst/Contact Phone/Contact email	Provide the contact information for the preparer of the LMF
Loan Management Questions	Q1. Outside of Insurance non-compliance issues, is Borrower/property in any non-monetary default of the loan? "Non compliance" refers to a change in use not authorized by the loan documents.	If “Yes”, comment on nature of non compliance, Freddie Mac approval status (where applicable), steps taken to resolve issue and any other information deemed pertinent. Examples include but are not limited to: use of the property as a hotel, new rent regulation, regulatory agreements, affordable housing, tax abatement/exemption, change in Borrower/Principal, UCC filing, payments of unsubordinated ground lease, change in property management, and unauthorized lien requirements
	Q2. Is there any unauthorized rehab or construction underway at the property?	If “Yes”, provide details of type of rehab, location, size, estimated costs, completion status, scheduled date of completion, and whether construction is impacting leasing or current tenant satisfaction
	Q3. Is Borrower or Principal in Bankruptcy?	If “Yes”, provide details (if available) such as date bankruptcy was filed, status of bankruptcy, and potential impact of Subject loan

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FRE LOAN MANAGEMENT ITEMS cont'd

Section	Data Fields	Comments
	<p>Q4. Are there problems or issues associated with any of the escrow accounts connected with loan/property?</p>	<p>If "Yes", provide details including monthly dues (if applicable), number of months in arrears, and outstanding balance in escrow. If repair agreement relating to repair escrow is in place; comments should include due date of completion, extended due date (if applicable), and status (%) of completion</p> <p>If there was a significant amount of deferred maintenance (>5% of UPB or >\$500,000) noted at last inspection, please comment on whether the Replacement Reserves are funded and, if so, the current balance of the escrow account</p>

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ASSESSMENT TYPE/ATTACHMENT REQUIREMENTS/ NAMING CONVENTIONS/ DUE DATES

The LMF must be submitted prior to or on the Due Date or it will be considered late.

Assessment Type	Required Submissions	Naming Convention	Due Dates
Annual Loan Management	1. LMF	1. XXXXXXXX_LMGT_MM-DD-YY_S-YYYY (due date of inspection) a. XXXXXXXX= Freddie Mac 9 digit loan # b. S-YYYY Submission Period Year	Quarterly of Anniversary of Note Date (unless stated otherwise)

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OTHER TOOLS

- Section 40 of the Seller/Service Guide

<http://www.allregs.com>