Equity Conflicts of Interest Determination Chart

Equity Conflicts of Interest are addressed in Section 2.25 and other sections of the Freddie Mac Multifamily Seller/Servicer Guide.

Optigo® Lender Non-Executive Employees and Family Members of Optigo Lender Non-Executive Employees	Optigo Lenders or an Affiliate and Optigo Lender Executive Employees or Their Family Members
An Equity Conflict of Interest exists if: • An Optigo® lender non-executive employee – or their family members – has an equity interest in the Borrower or Property, *and* • The same Optigo lender employee is engaged in the origination, underwriting, or servicing of the applicable Mortgage. The holder of the equity interest: 1) May own up to 5% direct or indirect interest, and 2) Must not currently have or have the ability to assume control and/or manage the Borrower or the Property. If there are multiple persons with equity interests, the 5% threshold is applied to total combined interests. The aggregate is determined per Optigo lender.	An Equity Conflict of Interest exists if an Optigo lender, its affiliate, an Optigo lender executive employee, or the executive's family members have an equity interest in the Borrower or Property regardless of the office out of which the Mortgage is originated, underwritten, or serviced. The holder of the equity interest: 1) Must own less than 25% direct or indirect interest, and 2) Must not currently have or have the ability to assume control and/or manage the Borrower or the Property.
As provided in Guide Section 2.25: • "**Family**" is considered to include a spouse, parent, child (including stepchild), grandchild (including step-grandchild), sibling, or domestic partner. • **Equity interests held through equity investments made in third-party investment vehicles** (such as REITs not managed by the Optigo lender, mutual funds, exchange-traded funds, index funds and SEC-registered funds) that directly or indirectly own and/or control the property are not considered conflicts of interest. Contact your Freddie Mac representative with any questions or when the equity holder's direct or indirect equity interests are higher than the above-referenced thresholds.	
The Optigo lender must disclose the nature and extent of the Equity Conflict of Interest in writing when the Optigo lender delivers the preliminary underwriting package or the full underwriting package to Freddie Mac. The Optigo lender must notify Freddie Mac in writing immediately if an Equity Conflict of Interest arises or the Optigo lender learns of an Equity Conflict of Interest following delivery of the underwriting package.	
	Servicing: Except for transactions in which the Optigo lender has tax credit equity investments in LIHTC transactions as an investor or as a syndicator, transfer of servicing is required when there is 25% or more direct or indirect ownership interest.

The Optigo lender must also disclose the following to Freddie Mac:

1. The Optigo lender or an affiliate's equity interest is mezzanine debt, a Preferred Equity Contribution, or Subordinate Financing.
2. The Optigo lender or an affiliate is selling a Property in which it has an equity interest and providing acquisition financing on the same Property.
3. The individual attorney representing the Optigo lender in the Mortgage transaction has an equity interest in the Property or Borrower.