



Live Virtual Inspection Guidance for Optigo® Lenders, Appraisers and Engineers April 20, 2020

We continue to look for ways to balance health and safety with prudent lending practices during COVID-19. With this, we are clarifying our guidance for conducting live virtual property inspections for new loan originations. We tested live virtual inspections and concluded that they are a viable alternative that enables us to ensure the health and safety of inspectors, property owners and tenants while also maintaining our best-in-class credit quality.

Prior Freddie Mac approval is required before a live virtual inspection is conducted. If conducted, live virtual inspections are to be managed and hosted by the Optigo® lender, including selecting and procuring the virtual meeting technology (e.g., Zoom, Teams, Skype, etc.) and approving the party on-site who will operate the camera for the virtual inspection. Appraisers and engineers should individually determine their willingness to participate as a virtual inspector. If a live virtual inspection is approved by the applicable Freddie Mac regional underwriting team, Freddie Mac may elect to virtually participate in the inspection or to delegate the inspection to the Optigo lender.

All virtual inspectors are expected to conduct a *Freddie Mac Multifamily Seller/Service Guide*-compliant inspection. Any inspection scope exceptions require prior approval and should be processed through your regional transactional teams just as they would be for on-site physical inspections. Follow-up live on-site property inspections will be required after COVID-19 emergency restrictions are lifted; this requirement will be documented in the loan commitment. Appraisers and engineers can find [additional guidance here](#) on addressing challenges with inspection scope requirements, such as entering occupied units.

Virtually inspecting parties are required to populate existing reports and templates and should continue to follow their current submission path to Freddie Mac. For instance, if the Optigo lender virtually inspects, they must still populate the Freddie Mac inspection form on either the [Property Inspection and Lease Audit](#) form or the Optigo Happy digital template. If an inspection is completed virtually, the inspector must note this in their report.

There are multiple options for virtual meeting technology and varied potential solutions for on-site video operators. **Please refer to the guidance below** for how to conduct live virtual inspections and additional considerations for all virtual participants.

We are also starting to develop virtual inspection capability in our digital inspection platform, Optigo Happy – stay tuned! And please stay safe.

Best Practices for Conducting Live Virtual Property Inspections

OVERVIEW

Virtual meeting technology (Zoom, Teams, Skype, etc.) provides an option for conducting live virtual site inspections. Through a combination of voice and video, Optigo lenders, Freddie Mac and third parties (engineers and appraisers) can participate in a site walkthrough and conduct a diligent inspection from any remote viewing location.

BEFORE THE LIVE INSPECTION

Freddie Mac recommends that the Optigo lender act as the live virtual inspection host, meaning the Optigo lender should determine the meeting technology they will use to conduct the live virtual inspection.

1. Once the Optigo lender has selected a virtual meeting technology, it is recommended that they double check that their account level allows for meetings to last for at least 120 minutes. If not, it may be necessary to upgrade the license.
2. Per current inspection scheduling process, the Optigo lender should coordinate with Freddie Mac and applicable parties (appraiser, engineer, property manager, etc.) to schedule the inspection date and time.
 - If one or all required parties is unable to physically attend the inspection due to COVID-19 shelter-in-place mandates, the Optigo lender can elect to schedule and facilitate a live virtual inspection for non-attending parties.
 - If the Optigo lender and all required third parties are unable to physically attend the inspection, the on-site property representative should operate the video during a physical walkthrough, during which the lender and all required third parties can attend virtually.

Please note: Due to specific inspection needs of engineers, property maintenance staff is generally the best on-site option due to their technical knowledge of the property.
 - If any of the Optigo lender, appraiser, or engineer *can* physically attend the inspection, then they should operate the video on-site for non-physically present parties.
 - When it is decided who will be physically on-site to operate the live video inspection, that individual should download the technology application. It is recommended that virtual inspection participants view the live inspection from a desktop or laptop.
 - Headphones (wire or Bluetooth®) are suggested but not required for the on-site video operator for better communication ability with virtual participants.

3. The Optigo lender and third parties may choose to conduct pre-inspection phone calls, surveys, and/or questionnaires to obtain the information that they need from the property manager.

Please note: The live virtual inspection is most efficient as a site walkthrough with property maintenance, not an interview with the property manager. It is recommended that the Optigo lender and third parties coordinate to gather required information from the property manager prior to inspection to minimize back and forth conversation during the live virtual inspection.

CONDUCTING THE LIVE VIRTUAL INSPECTION

Live Virtual Inspection Host:

1. Open the virtual meeting early to allow everyone time to get settled and prepare for an on-time start.
2. Virtual meeting technologies often allow the host to “pin” one participant’s video for all to view – do this if possible.
3. Often it is only the host that can record. If you elect to record the video walkthrough, do this prior to the start of the meeting, let everyone know that the meeting will be recorded and give participants the option to disconnect if they do not want to be recorded.

Physical On-site Video Operator:

1. Make sure your device is fully charged prior to the inspection (a portable charger is nice to have just in case).
2. Carry a flashlight for illuminating dark spaces under sinks, hard to read tags, or to counter sun glare.
3. Test your connection/cellular signal – if possible, connect to the building’s WiFi.
4. Dial into the meeting early to make sure you are prepared to begin on time.
5. If you lose connection during the inspection, simply re-join the meeting and continue onward.
6. Film in straight lines as much as possible (avoid twists and turns). Pivoting the camera right and left will cause blurriness on the video. Staying still and moving in straight lines will reduce this effect.
7. Virtual inspectors should guide you through the inspection and request to see specific objects/areas.
8. When you first enter a room, pause for virtual inspectors to capture a screenshot of the entire space.
9. We recognize that access to occupied units may be limited or unavailable. If you do enter an occupied unit, respect and protect the tenants’ right to privacy by refraining

from filming photos, documents, or individuals, and mute your audio input to avoid inadvertently capturing audio in the unit.

10. When a virtual inspector requests to see a specific item, pause on that item to allow for the camera to adjust and auto focus. This is especially important when a participant requests that you zoom in on a tag or something that has small writing. It may take a few seconds for the camera to focus; do your best to remain still for a few seconds to allow participants to read print and take any required screenshots.

Virtual Inspector:

1. Make sure you have collected the information you need prior to the walkthrough. When possible, conduct interviews prior to the walkthrough.
2. Be prepared to fill in any inspection template you normally would during a physical on-site inspection.
3. Understand your computer's capabilities when it comes to capturing screenshots and be prepared prior to the inspection to capture and save screenshots into a pre-determined folder.
4. Dial into the meeting early to make sure you are prepared to begin on time.
5. Due to their more in-depth needs, if the engineer is participating in the live virtual inspection, then they should be prepared to be the primary guide for the video operator through the inspection.
6. The Optigo lender and other third parties should contribute guidance to the video operator as necessary to complete their documentation.
7. However, you should stay on mute when you are not actively directing or asking a question.
8. Take screenshots of the required objects.
9. If you miss something required for your report, ask the video operator to go back and allow you to capture a screenshot.
10. After the inspection, complete all required standard reports and templates and follow the standard submission path to Freddie Mac.

Before submitting their reports, each virtually inspecting party must independently confirm that the inspection, together with any supplemental electronic information reviewed, provided sufficient information to meet the *Freddie Mac Multifamily Seller/Service Guide* and industry requirements for their specific needs. Any assumptions or exceptions made by a virtually inspecting party must be clearly called out in their report. Additionally, a follow-up, on-site property inspection and supplemental reports may still be required once COVID-19 emergency restrictions are lifted, and if applicable, will be specified in the loan commitment.