



# Established Condominium Project Review Worksheet and Certification

**Borrower:**

**Date:**

**Co-Borrower:  
Project Name:**

**Loan #:  
Unit #:**

**Subject Phase #:**

**Project Address**

**City, State, Zip:**

**This Questionnaire is to be used on projects with at least 5 units**

## PROJECT INFORMATION TO BE COMPLETED BY HOA OR THE MANAGEMENT COMPANY

1.a **Does the project contain ANY of the following characteristics:**

Yes  No

- Projects currently involved in litigation or pending litigation, without HSOA approval
- Hotel Condominiums (Condominium Hotel): A hotel condominium is any condominium project that is operated as a hotel even though the units are owned individually. Hotel condominiums are typically found in resort areas or in the downtown district of major cities. Condominium projects meeting any one of the following will be classified as a hotel condominium:
  - Physical characteristics indicating that the project has a hotel identity or hotel-like characteristics, or offers hotel-like services include but are not limited to the following:
    - Daily/seasonal or monthly rentals
    - Central telephone systems
    - Room service (food or beverage) is available to the unit owners
    - Units that do not contain full kitchens
    - Daily cleaning
    - Advertising of rental rates
    - Registration service (check-in desk on or off site)
    - Restrictions on interior decorating or furnishings, or the units are sold "fully furnished," or the purchaser must choose from a list of "approved" furniture, floor and wall coverings for the unit
    - Franchise agreements
    - Central key systems
    - Owner occupancy density – the project may have few or even no owner occupants.
    - Projects converted from a hotel or motel
    - Interior doors that adjoin other units
    - Lockable storage closets, cabinets, safes or mini-bars
  - The project name includes hotel, resort, motel, inn or lodge; has an affiliation with, and/or is managed by an entity, usually a hotel chain or hospitality entity.
  - The project is located at the same address as a hotel or resort, or within a hotel or resort, or has hotel hospitality identity.
  - The project is publicly advertised as a hotel condominium or resort (e.g., the project advertises on travel or hotel websites, or has a website on the internet and presents itself as a condominium hotel) or websites are available to determine room availability and reservations can be made online.
  - Projects that impose black-out dates or do not have year-round access
  - The project shares facilities, common elements or amenities with a hotel, resort and/or lodge that is owned and managed by the developer or another third-party entity.
  - The sales contact or offering circular states that ownership may include the opportunity to place the unit in a rental agreement.
- Marketing and project management practices such as:
  - The developer or a third-party entity expects to retain ownership or control of the project.
  - The developer or another third-party entity retains ownership or control of any common elements or amenities.
  - Unit owners have no control over any third-party entity that succeeds the developer.
  - The project includes commercial space over which the unit owners have no control.
- The condominium constituent documents and any amendments are silent on the presence of common elements and/or amenities, their use and/or ownership, or they state that common elements and/or amenities may be added to, expanded, or deleted as determined by the developer or another third-party entity without the consent of the unit owners or the homeowners association.
- Projects with mandatory rental pooling agreements
- Manufactured housing projects
- Projects with revenue sharing: If any unit owner or the homeowners' association is a party to a revenue-sharing agreement.
- Timeshare or segmented (fragmented) ownership projects - A real estate development in which a purchaser can buy the exclusive right to occupy a unit for a specified period of time each year. A form of property ownership under which a property is held by a number of people, each with the right of possession for a specified time interval. Timesharing is most commonly applied to resort and vacation properties. Timeshare projects are examples of segmented (fragmented) ownership and fractured interest projects.
- The developer, another third-party entity, or the homeowners' association operates commercial facilities within the project or master association, such as retail stores, restaurants, bar/lounge, and/or a golf course, common areas, recreational facilities and amenities are available within the project or master association that are usually associated with luxury hotels and resorts.
- Assisted Living or Senior Care Facilities that have a minimum age requirement and provide services and provide meal or healthcare services
- Continuing Care Retirement Community (CCRC) - A CCRC is a residential project designed to meet the health and housing needs of seniors as their needs change over time. CCRCs are distinguished from age-restricted communities in that residents in CCRCs contract in advance for a lifetime commitment from the facility to care for them, regardless of the future health or housing needs. CCRCs may also be known as Life-Care Facilities
- Houseboat projects: A project comprised of boats that have been designed or modified to be used primarily as dwelling units
- "Live-work" type condominiums; usually used for artist's studio, workshops, factories, or galleries
- Multi-dwelling unit projects that permit an owner to hold title to more than one dwelling unit under a single deed and are financed by a single mortgage.



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- 1.b Do the bylaws, CC&Rs, or the HOA allow short-term and seasonal rentals (periods of less than one month), or fractional or time-share ownership?  Yes  No
- 1.c Does the HOA budget include items that suggest hotel-type features, such as housekeeping costs, business income, membership fee income, personnel costs (lifeguard, maid, concierge, front desk, shuttle service, internet service fees, etc.)?  Yes  No

**If you answered "Yes" to any of the above, stop here, the project is ineligible.**

2. Is the project an attached condominium with 5 or more units?  Yes  No
3. Are all the units, common elements, and facilities within the project 100% complete?  Yes  No
4. a. The project is not subject to any additional phasing or add-ons?  Yes (not subject to phasing)  No  
 b. If the project was a conversion, was the conversion completed at least 3 years ago?  Yes  No  NA
5. Has control of the Homeowners' Association been turned over to the unit owner's?  Yes  No
6. Has at least 90% of the units in the project been sold and closed?  Yes  No

**If any of your answers were "No" to questions 2- 6, this project does not qualify under the Established Condominium Project Review type.**

7. Do the unit owners have sole ownership in and exclusive right to use the project facilities?  Yes  No
8. Are the facilities related to the project owned by the unit owners or HOA with no ownership interest retained by the developer or third party?  Yes  No
9. The project amenities or facilities, including parking and recreational facilities, are NOT subject to a lease between the unit owners and/or HOA and another party?  Yes (not subject to lease)  No
10. **Association Litigation:** There is no pending litigation.  Yes (no pending litigation)  No
11. The title to the units is held in Fee Simple.  Yes  No
12. The Project meets the insurance requirements as indicated below:  Yes  No
- The insurance policy is in the exact name of the Condominium Association
  - Policy is active, Expiration Date:
  - Policy includes 100% current replacement cost hazard coverage on common structures with a deductible not to exceed 5% of the policy face value.
  - Policy meets the higher of state required liability coverage or \$1million general liability coverage for homeowners' association
  - Policy includes flood Insurance (only if common structures located in flood zone) with a deductible that not greater than \$25,000 of the policy face amount unless state law allows for a higher deductible – Attach an explanation if accepting state mandated higher deductibles

Condominium project insurance master or blanket policies do NOT contain either of the following:

- A blanket policy that covers multiple unaffiliated condominium associations or projects, or
- A self insurance arrangement whereby the owners' association is self insured or has banded together with other unaffiliated associations to self insure all of the general and limited common elements of the various associations.

13. a. No single entity, individual, or group owns more than 10% of the total units in the project?  Yes  No  
 b. Commercial use in project is less than 20% of project space?  Yes  No
14. Investor concentration: % as  
 Number of units in Project: OO or SH;
- Number of occupied as primary or second homes see # 26 for requirements
- (bank-owned foreclosed properties that are for sale may be counted as owner-occupied).
15. Are the individual units in the project separately metered, OR do the project's plans provide for the ready adoption of unit metering?  Yes  No



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16. If the homeowners voted for a special assessment within the last two years, will the special assessment for the subject unit be paid at closing?  Yes  No  N/A
17. The number of units that are more than 30 days delinquent is less than 15% of the total number of units.  Yes  No
18. There is no professional management company or the Homeowner's Association has an agreement which is reasonable (generally, a one year renewable term) and can be cancelled, with or without cause, by the HOA with no more than 90 days notice?  Yes  No
19. What is the total number of units in the project?
20. The monthly Homeowner's Association Dues are?
21. Is there a check-in-desk/ registration desk for leased/rented units?  Yes  No
22. Does the budget include any rental income?  Yes  No
23. Are any services or amenities within the project provided by hotel motel or resort operator?  Yes  No

Homeowner's Association contact information:

- Name:
- Title & Organization or Company Name:
- Phone or e-mail :

### HOME OWNERS ASSOCIATION CERTIFICATION

The undersigned hereby certifies that to the best of his/her knowledge and belief that the information and statements contained on this form and any attachments are true and correct. The undersigned further represents that he/she is authorized by the HOA to provide this information on behalf of the HOA.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone

### Required Documentation

1. CC&Rs, Bylaws, Regulations and Declarations of Condominium
2. HOA budget: most recent audited financials and most recent monthly budget
3. Appraisal for subject property
4. Evidence of the following Project insurance policies, as applicable
  - a. Hazard
  - b. Flood
  - c. Liability
  - d. Fidelity Bond (if >20 units )

#### Note: Individual unit Insurance coverage requirements:

Must be a 'walls-in' policy, often called a HO-6 policy; coverage amount to be at least 20% of the appraised value.

### TO BE COMPLETED BY LENDER

24. The budget is adequate, provides for the funding of replacement reserves for capital expenditures and deferred maintenance (at least 10% of the budget), and provides adequate funding for insurance deductible amounts?  Yes  No
25. Is the project well managed from a physical and financial perspective (i.e., well maintained, no deferred maintenance and adequate budget and reserves?  Yes  No
26. If >80% LTV: Are at least 70% of the units occupied as a primary or secondary home?  Yes  No  NA

N/O/O transactions: Are at least 51% of the total units in the project are conveyed to principal residence or second home purchasers (bank-owned foreclosed properties that are for sale may be counted as owner-occupied).



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27. The condominium association and association documents meet Fannie Mae's legal and compliance requirements as follows.
- a.) Are created in accordance to state law and other applicable laws and regulations?  Yes  No
- b.) If there is a right of first refusal, it does not adversely impact the rights of the mortgagees or its assignees to:
- Foreclose or take title to a unit  Yes
  - Accept a deed or assignment in lieu of foreclosure or;  No
  - Sell or Lease a unit acquired by the mortgagee or its assignee  NA
- c.) Can only be amended with respect to items that have a materially adverse impact to mortgagees with the approval of 51% of the mortgagees?  Yes  No
- d.) Can only be terminated for substantial destruction or condemnation without mortgagee approval or with other cause and 51% mortgagee approval?  Yes  No
- e.) May provide for implied mortgagee approval when a mortgagee fails to respond after 60 days written notice provided notice was delivered by certified or registered mail with a return receipt requested.  Yes  No
- Note: if documents were recorded prior to Aug. 23, 2007 the notice may be a minimum of 30 days.
- f.) Provide for notification under the following circumstances: Condemnation or casualty loss, 60 day delinquency for the association assessment on a mortgaged unit, lapse-cancellation or material change to the master insurance policy, any action that requires consent of a specified % of mortgagees.  Yes  No
- g.) Do not grant any party priority over the first mortgagee regarding the insurance proceeds or condemnation awards  Yes  No
- h.) State that the mortgagee is not responsible for more than six months unpaid dues when a unit is obtained through foreclosure or deed-in-lieu.  Yes  No
28. In lieu of a response to any the specific items in the question above, an attorney's opinion letter is attached which was prepared by a qualified attorney in accordance Fannie Mae's legal review requirements.  Yes  No  
 N/A
29. Underwriter has completed an Internet search on the project name as well as the project address, and has found no indications of offerings for nightly or short-term rentals. (Question 1.a)  Yes  No
30. If the project is near water, snow or a recreation area, the bylaws and CC&Rs do not allow short-term rentals, and the budget shows no hotel-like income or expense items. (Question 1.b and 1.c)  Yes  No  
 N/A

**If any of the answers were "No" for questions 7-13, 15-18 or 24-30, or "Yes" to 21-23, the project is not eligible for the Established Condominium Project Review.**

### LENDER CERTIFICATION

*(To be completed by HSOA Underwriter). The undersigned hereby certifies that to the best of his/her knowledge and belief that the information and statements contained on this form and any attachments are true and correct. The undersigned further represents that he/she is authorized by the Seller to provide this information on behalf of the Lender and is authorized representative with document signing authority.*

**FNMA Condominium Review Type: Enter as type "S"**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title