



Established Condominium Project Review Worksheet and Certification

Borrower: _____ **Date:** _____

Co-Borrower: _____ **Loan #:** _____

Project Name: _____ **Unit #:** _____ **Subject Phase #:** _____

Project Address _____ **City, State, Zip:** _____

PROJECT INFORMATION TO BE COMPLETED BY HOA OR THE MANAGEMENT COMPANY

1.a Is the project any of the following: manufactured home, houseboat, timeshare or segmented ownership, non-conforming zoning, "Own-Your-Own" or project owned as tenants-in common, project of multi-unit properties, condotel, live-work condo, resort condominium, an investment ownership, or project with businesses owned or operated by the HOA (restaurant, spa, health club, etc.)? Yes No

Does the project exhibit any of the following?

- Is publicly advertised as a condominium hotel or resort (for example, the project advertises on travel or hotel Web sites, or has a Web site on the Internet and presents itself as a condominium hotel) or Web sites are available to determine room availability and/or to make reservations.
- Has hotel-like amenities (such as front desk, maid service, concierge service, on site recreational activities, lifeguard on duty, towel or linen service, etc.)
- Shares facilities, common elements, or amenities with a hotel, resort, and/or lodge owned and managed by the developer or another third-party entity (pool, spa, fitness center, parking, business center, conference facility, etc.)
- Has units that do not have full size kitchen appliances, or that have efficiency kitchens
- Has a name that 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.
- Is located at the same address as a hotel or resort, or within a hotel or resort, or has a hotel or hospitality identity
- Has non-incidentual businesses operated or owned by the homeowner's association (for example, restaurant, health club, spa, etc.).
- Has a revenue sharing arrangement between a rental management firm and the HOA
- Requires mandatory membership (tennis, golf, health club, etc.)
- Requires a mandatory rental pooling agreement or has blackout periods.

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, and must be processed using an alternate review type.

7. Do the unit owners have sole ownership in and exclusive right to use the project facilities? Yes No



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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. If there is, attach a detailed explanation. The lawsuit must not impact marketability and/or liability policy covers potential loss. The lawsuit must be reviewed by HSOA Credit Policy. 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 \$1 million 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. N/O/O transactions: At least 51% (70% for Non-conforming loans) 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). Yes No
 NA (O/O or SH transactions)
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
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 :



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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 _____

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. 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:
- | | |
|---|------------------------------|
| <input type="checkbox"/> Foreclose or take title to a unit | <input type="checkbox"/> Yes |
| <input type="checkbox"/> Accept a deed or assignment in lieu of foreclosure or; | <input type="checkbox"/> No |
| <input type="checkbox"/> Sell or Lease a unit acquired by the mortgagee or its assignee | <input type="checkbox"/> 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



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- 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
- 27. In lieu of a response to any the specific items in question #26, 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
- 28. 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
- 29. 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 7-18 or 24-29, or “Yes” to 21-23, the project is not eligible for the Established Condominium Project Review and must be processed using an alternate review type.

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.

Enter “S” as condominium Project type.

Signature

Date

Name

Title