

# FHA Spot Condominium Project Questionnaire

<b>Loan Number:</b>	<b>Unit #:</b>
<b>Project Name:</b>	<b>Subject Phase #</b>
<b>Project Address:</b>	

**This FHA Spot Condominium Project Questionnaire may be used if the project has not previously been reviewed by an FHA field office.**

**Questions 1-17 may be completed by the HOA or the HOA management company.**

1.	The legal documents do not contain a right of first refusal or restrictive covenant	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	The unit is part of a condominium regime that provides for common and undivided ownership of common areas by the unit owners	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.	All the units, common elements, and facilities within the project are 100% complete.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.	There are no special assessments pending	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.	The project is 100% complete, and is not subject to any additional phasing or add-ons.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
6.	Control of the Homeowners' Association been turned over to the unit owners for at least one year. Date of turn-over	<input type="checkbox"/> Yes <input type="checkbox"/> No
7.	The project contains at least 5 units. Number of units	<input type="checkbox"/> Yes <input type="checkbox"/> No
8.	At least 90% of the units in the project have been sold and closed.	<input type="checkbox"/> Yes <input type="checkbox"/> No
9.	At least 51% of the units are owner-occupied.	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.	There is no pending litigation.	<input type="checkbox"/> Yes (no pending litigation) <input type="checkbox"/> No
11.	There are no adverse environmental factors affecting the project or individual units.	<input type="checkbox"/> Yes <input type="checkbox"/> No
12.	The title to the units is held in Fee Simple.	<input type="checkbox"/> Yes <input type="checkbox"/> No
13.	No single entity, individual, or group owns more than 10% of the total units in the project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
14.	The number of units more than 30 days delinquent on HOA dues does not exceed 15% of the total number of units. Number units with delinquent HOA dues: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No
15.	Commercial space represents less than 25% of the project space.	<input type="checkbox"/> Yes <input type="checkbox"/> No
16.	The owners association has a reserve plan and a reserve fund, separate from the operating Account, and is adequate to prevent deferred maintenance. The amount of the fund is  \$ _____ as of _____. At least 10% of the budget is for the reserve fund.	<input type="checkbox"/> Yes <input type="checkbox"/> No
17.	The Project meets the insurance requirements as indicated below: <input type="checkbox"/> The insurance policy is in the exact name of the Condominium Association  <input type="checkbox"/> Policy is active, Expiration Date:  <input type="checkbox"/> Policy includes 100% current replacement cost hazard coverage on common structures with a deductible not to exceed 5% of the policy face value. <input type="checkbox"/> 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 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. FHA Project Query from FHA Connection, showing project was never reviewed by FHA
5. FHA case query for every property street address for each residential building (not unit) in the project.
6. Evidence of the following Project insurance policies, as applicable
  - a. Hazard
  - b. Flood
  - c. Liability

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If the master policy does not include interior unit coverage, including replacement of interior improvements and betterment coverage to insure improvements that the borrower may have made to the unit, the borrower must obtain a "walls-in" coverage policy (HO-6 policy).

## **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

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## **Lender Review and Analysis**

18.	The HOA has adequate common area insurance coverage, as requested above.	<input type="checkbox"/> Yes <input type="checkbox"/> No
19.	The General Maintenance level of common areas is acceptable, and there is no deferred maintenance, based on the comments by the appraiser and/or pictures.	<input type="checkbox"/> Yes <input type="checkbox"/> No
20.	The HOA reserve fund is adequate to prevent deferred maintenance.	<input type="checkbox"/> Yes <input type="checkbox"/> No
21.	FHA Connection Project Approvals show no approvals, cancellations, denials or withdrawn status for the subject Project (phase, if applicable).	<input type="checkbox"/> Yes <input type="checkbox"/> No
22.	FHA Project Exposure: for projects of >30 units, no more than 10% of the units are encumbered by FHA mortgages; for projects of 5-30 units, no more than 20%.	<input type="checkbox"/> Yes <input type="checkbox"/> No
23.	<b>FHA spot approval requires exception processing.</b> Exception approval has been received.	<input type="checkbox"/> Yes <input type="checkbox"/> No

**If any of the answers were “No” for questions 1-23, the project is not eligible for FHA Spot Project approval.**

## **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.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

## **Lender Analysis guidance**

**Note: To facilitate the project review process, Brokers/processors are expected to provide the FHA connections findings for questions 18 and 19.**

### **17. Reserves Analysis**

Generally, at least 10% of the HOA dues should be for reserves and capital improvements. Though there is no set minimum amount for current reserve balances, there must be a separate reserve account. For established projects managed by HOA management firm, unless review of the budget and balances indicate otherwise, we should rely on the HOA and its management firm that they have been, and are making appropriate decisions about reserve requirements.

### **18. FHA Connection Project review:**

To determine if the project has ever been reviewed, in FHA Connection Approval lists for Condominiums ( found at: <https://entp.hud.gov/idapp/protect/condlook.cfm>); type in the state, the first letter of the project name, and request “All” as the status option.

- a. If the project is not listed, print off the page where the project name would appear alphabetically if it had been reviewed by HUD
- b. If the project is listed, click on the project and print off the detail Project approval status

### **19. Case query instructions**

- a. Subject property: enter FHA case number in FHA Connection case query, and print off findings. (found at: <https://entp.hud.gov/clas/html/f17cq.cfm>)
- b. Using the FHA field office that displays on the subject case number, remove all borrower and unit number information, and re-transmit the case query showing only the FHA field office, and the building’s property street address, city, and zip (**omit unit numbers**). Findings will display the subject case and any other cases that have been processed for that same building address. Click on and print off any other cases that show up for the same building, and review for consistency of information and exposure calculation.
- c. Repeat (b), doing a case query on the street address for every residential building in the project.