

### Full Lender Condo Review Submission Requirements

**Q:** Can the HO6 insurance be provided just prior to closing OR do we have to get that to submit for this Lender Condo Review?

**A:** HO6 is conditioned on the outsourced approvals and does not need to be provided at the time of condo review.

**Q:** I see we have to obtain an appraisal before we move forward. Is there any way to get a project approved before we get the appraisal?

**A:** A project without an appraisal can be reviewed and the vendor will advise whether there are any problems with the project; however they cannot approve without the appraisal. You can send everything else and advise that the appraisal will be ordered upon review of the rest of the information.

**Q:** How do we comply with item #6 (The condominium documents must comply with the Legal Guidelines (determined through review of the constituent documents) for Type R/New projects)?

**A:** Legal file review of the Declarations and Bylaws are only required to be warranted for new construction.

**Q:** I'm surprised to see you do not need a copy of the Condo Docs & Articles unless it is New Construction?

**A:** Established condominiums no longer require the legal documents to be reviewed.

**Q:** Where do I obtain the Insurance Certificate for applicable types?

**A:** If you are in a flood zone, you would need flood insurance too. Whatever insurance is needed for the project, you will need to include it.

**Q:** What if we have a listing agent who wants to get a project approved to land a bunch of listings?

**A:** If you have a listing agent that wants to get the project approved to land listing, that is not a problem. The vendor has indicated that the approval is good for three months and after that it would require a recertification, which is available at a reduced cost. Fannie Mae will not allow limited reviews for projects where you are focused on getting listings (they allow limited reviews for condos that come up in the "ordinary course of business".) But, they do not restrict that on full lender reviews, which is what we are looking at here.

**Q:** I think we have a max concentration of loans in a project. Should we have those percentages handy and direction on how to check that level of concentration?

**A:** At this point we do not restrict level of concentration in a project.

**Q:** What are the current Turn Times on Full Condo Reviews?

**A:** Typical turnaround is 3-4 business days with a complete submission.

**Q:** Is there anywhere we can get a list of required docs for the full review?

**A:** You can find all required documents for the full lender review on the PRMG Questionnaire and condo full lender review submissions form found in the Resource Center.

**Q:** I'm trying to do a 95% financing on a Florida condo. Are our new guidelines going up that high?

**A:** You will be able to follow the product matrix for all products, including a 95% LTV for owner occupied on Agency Fixed or Agency Portfolio. However, it will require a full lender review for LTVs above 75% for owner occupied, 70% for second homes and all LTVs for investment properties (which is a Fannie Mae Requirement).

**Q:** If we have an HOA that does not account for the 10% reserves in the current annual operating budget, but does have sufficient reserves to meet the 10% reserves requirement on their balance sheet, is that project eligible to approve as warrantable for a Full Lender Condo Review?

**A:** The current annual budget must reflect 10% of the total budget to be contributed to the reserves. The current balance in the reserve account is not what the guideline is pertaining to.

Fannie Mae Single Family  
2014 Selling Guide  
Part B. Origination Through Closing  
Subpart B4. Underwriting Property  
Chapter B4-2. Project Standards

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**B4-2.2-06, Lender Full Review: Additional Eligibility Requirements for Established Condo Projects (05/28/2013)**

**Introduction**  
This topic contains information on Lender Full Review of established condo projects.

**Eligibility Criteria for the Full Review of Established Projects**  
When performing a Lender Full Review of an established condo project, lenders must ensure compliance with the following additional requirements.

✓	Requirement
	All condo projects must comply with the general requirements listed in <a href="#">B4-2.2-04, Lender Full Review: General Eligibility Requirements for All Condo Projects (12/01/2010)</a> .
	All units, common elements, and facilities within the project must be 100% complete.
	The project cannot be subject to additional phasing or annexation.
	At least 51% of the total units in the project must be conveyed to purchasers as principal residences or second homes. This requirement does not apply when lenders deliver mortgage loans secured by principal residences or second homes. See <a href="#">B4-2.2-07, Owner-Occupancy Ratio Requirements and Financial Institution-Owned REO Units (10/30/2009)</a> , for information regarding provisions for financial institution-owned REO.
	Lenders must review the homeowners' association actual budget to determine that the budget <ul style="list-style-type: none"> <li>• is adequate (i.e., it includes allocations for line items pertinent to the type of condo);</li> <li>• provides for the funding of replacement reserves for capital expenditures and deferred maintenance equal to at least 10% of the budget; and</li> <li>• provides adequate funding for insurance deductible amounts.</li> </ul>