

HVF Condominium Guide

Project Type	Limited Review	Full Review	Misc. Investor Notes
<p>Site Condo/Detached Condo (Type P - New Type Q - Established)</p>	<ul style="list-style-type: none"> • New and Established Projects • No Presale requirements • All LTV/CLTV's available • Master Insurance with \$1 million liability coverage per occurrence (if project does not carry it then loan can still go to GMAC or USB as long as its Hazard Insurance covers the dwelling, site, and air space) 	<p align="center">N/A</p>	<ul style="list-style-type: none"> • Conv & RD - appraisal can be on 1004 or 1073 • FHA - appraisal must be on 1073 • US Bank only allows for primary residences • VA - site condos must be approved by VA still (same as if they were attached condos)
<p>Established (Attached 5+ Units)</p> <ul style="list-style-type: none"> • All units, common elements, and facilities are 100% complete AND • Not subject to additional phasing or annexation AND • 90% or more of the total units in the project have been sold (Presale) AND • HOA control has been turned over to the unit owners <p>If Condo Conversion Identify type of Conversion:</p> <ul style="list-style-type: none"> • Gut-rehab • Non Gut-rehab: Less than 3yrs requires engineer's report. 	<ul style="list-style-type: none"> • The Project is Not Ineligible/Non-Warrantable • Primary Residence, Max LTV/CLTV 80% • Second Homes, Max LTV/CLTV 75% • Investment Properties: Not eligible • Ltd Review Questionnaire to support 90% presale, 10% or less concentration, 20% or less commercial space, 15% or less HOA dues delinquent in past 60 days • HO6 Ins of minimum 20% of appraised value • Liability - Master Fidelity Insurance for all projects over 20 units with general liability of at least \$1 million, employee dishonesty/fidelity bond coverage in force (no less than 3 months total HOA assessments for all units, but if <\$5000 then is not required) • Building - 100% replacement cost coverage required <p>-----Type Q -----</p>	<ul style="list-style-type: none"> • The project is Not Ineligible/Non-Warrantable • Pri Res LTV/CLTV >80%, Second Homes LTV/CLTV >75% • All Investment Condos require full review (at least 51% of units must be occupied as primary residence) • Copy of recorded Master Deed & By-laws • Budget to support minimum 10% reserves in annual budget • Full Review Questionnaire to support 90% presale, 10% or less concentration, 20% or less commercial space, 15% or less HOA dues delinquent in past 60 days • HO6 Ins of minimum 20% of appraised value • Liability - Master Fidelity Insurance for all projects over 20 units with general liability of at least \$1 million, employee dishonesty/fidelity bond coverage in force (no less than 3 months total HOA assessments for all units, but if <\$5000 then is not required) • Building - 100% replacement cost coverage of the project • May need articles of incorporation or an engineer's report <p>----- Type S -----</p>	<ul style="list-style-type: none"> • Flagstar - Limited review eligible loans: project must be searched on their list to make sure it's not declined (then HVF underwriter can review the questionnaire, etc. for approval) Full review required loans: Flagstar must review and update projects status to approved on their list prior to close (rest of underwrite can be done delegated) • GMAC doesn't keep a condo list - limited review eligible loans can be done by HVF underwriter review but full review loans must each be reviewed and approved by GMAC prior to close (rest of the underwrite can be done delegated) • US Bank - Limited or Full Reivew loans, project must be approved on US Bank's condo list, expired approvals or projects not on the list at all will require either streamlined review, recertification review, or full review done by US Bank internally (HVF can do the rest of the underwrite delegated)
<p>New (Attached 5+ Units)</p> <ul style="list-style-type: none"> • Project or phase is not 100% complete Or • Less than 90% of the total units in the project or phase have been sold Or • HOA control is not turned over to the unit owners • 50% or more of the total units in the project have been sold or are under contract to purchasers as a primary or second home and 50% of total units in subject legal phase + total # of units in all prior legal phases must have been conveyed or under contract as primary or 2nd home 	<p align="center">N/A</p>	<ul style="list-style-type: none"> • The project, or the subject legal phase, must be "substantially complete." This means that: A certificate of occupancy or other substantially similar document has been issued by the applicable governmental agency for the project or subject phase, and all the units in the building in which the unit securing the mortgage is located are complete, subject to the installation of buyer selection items. • At least 50% of the total units in the project or phase have been conveyed and be a Principal residence or 2nd home. • Same requirements as above for budget, insurance, etc. • May need Engineer's Report, Site Plans, Plat Map, Art of Inc <p>----- Type R -----</p>	<p align="center">Same as above for full review projects</p>

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2-4 Units •HOA is not required to be turned over to unit owners	<ul style="list-style-type: none"> • The Project is Not Ineligible/Non-Warrantable • Established Projects Only • Max LTV/CLTV Primary 80%, 2nd Home 75% • Investment Properties: Not eligible • No single entity may own more than 1 unit • All units, common elements, facilities 100% complete • All but 1 unit must be owner occupied or 2nd home ----- Type Q -----	<ul style="list-style-type: none"> • No single entity may own more than 1 unit • All units, common elements, facilities must be 100% complete. • All but 1 unit must be owner occupied or 2nd home. Note: Some Lenders Require Full Review on all 2-4 units project types. ----- Type R - New, Type S - Established -----	
HARP DU Refi Plus Loans HASP LP Relief Refi Loans	<ul style="list-style-type: none"> • Ltd Review Questionnaire to evid. not a condo-tel • HO6 Ins of minimum 20% of appraised value • Master Ins. - Liability \$1 million / Building 100% replacement cost coverage / >20 units: Fidelity 3 mos total HOA assessments all units minimum ----- Type V -----	N/A	
FHA	Project must be an approved FHA/HUD condo, search via: https://entp.hud.gov/idapp/html/condlook.cfm <ul style="list-style-type: none"> • Limited review questionnaire to support all of the following: <ul style="list-style-type: none"> • 50% or less FHA concentration • 50% or more of total units conveyed as Principal Residence • 15% or less HOA dues delinquent • No current or pending litigation • Master Ins. - Liability \$1 million / Building 100% repl. cost / >20 units: Fidelity 3mos total HOA assessments all units • HO6 Ins of minimum 20% of appraised value • There can be no circumstance or condition that might have any adverse effect on the project approval or cause a mortgage to become delinquent 		<ul style="list-style-type: none"> • Streamline refi loans do not have to be currently approved FHA/HUD projects • HVF uw'g is happy to assist in referring the condo HOA to an attorney to help facilitate its review for HUD approval
VA	Project must be approved condo, search via: https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch <ul style="list-style-type: none"> • Master Ins. - Liability \$1 million / Building 100% repl. cost / >20 units: Fidelity 3mos total HOA assessments all units • HO6 Ins of minimum 20% of appraised value 		<ul style="list-style-type: none"> • Site condos must be approved by VA still (same as if they were attached condos)
RD	Project must be either approved by FHA/HUD or VA or Fannie/Freddie (HVF can self-certify projects via review of questionnaire, master insurance, HO6 to determine if they meet FNMA/FHLMC requirements)		<ul style="list-style-type: none"> • Appraiser must include a comment that speaks to what the land value is

Ineligible / Non-Warrantable Projects

- > Projects that restrict the owner's ability to occupy the unit or have first right of refusal, have mandatory rental pools or guaranteed rent-backs
- > Projects with units that are subject to resale restrictions (age, income, etc.) or assisted living projects, common interest ownership, tax-sheltered syndicates
- > Projects that are in a leasehold or owned owned by tenants in common (i.e. the units in the project must be owned fee simple)
- > Projects with >25% commercial space or allow an owner to hold title to more than one unit via a single deed/mortgage
- > Projects that are zoned in a way that prohibits rebuilding of them in the event of a partial or full destruction
- > Condo-Hotels / Condotels type projects with rental desks, housekeeping service, etc.
- > Timeshare or segmented ownership projects, Houseboat projects, Manufactured Home Condos
- > Projects with 21 or more units were a single entity (individual, investor group, partnership, or corporation) owns >10% of the total units in the project (5-20 units: 2 units, 2-4 units: 1 unit)
- > Projects with non-incidentual business operations owned or operated by the HOA such as restaurant, spa, health club, etc. Not eligible if receiving >10% of budgeted income from non-incidentual sources. Allowed up to 15% for: leased out recreational amenities and income to HOA from telephone, cable, and internet companies, and income from leasing of units in the project acquired by HOA through foreclosure
- > Projects where the HOA is named as a party to current litigation that relates to the project (see below exemption)
 (if HOA is plaintiff in either a foreclosure action or for past due delinquent HOA dues then these two types of litigation are not considered ineligible)