



Bulletin 15-17

Enhancements to Fannie Mae Condo Project Standards Requirements

Fannie Mae has announced changes to their condominium project standards requirements. HomeBridge has updated our Condominium Questionnaires, as applicable, with these changes. HomeBridge has created the following new Questionnaires to align with FNMA requirements:

- 2-4 Unit New or Established Condo Project Review (for both Limited and Full Review)
- 5+ Unit Full Review (updated with additional questions)
- Limited Review (updated with additional questions)

The following enhancements now apply:

- The Lender Full Review has been updated to match Fannie Mae's Condo Project Manager requirements and is now called Lender Full Review (with or without CPM). A CPM Certification is no longer required by Fannie Mae if a full lender review is completed.
- The pre-sale requirement is now 50% of the total units (previously 70%) in the project or subject legal phase must have been conveyed or have a bona fide contract for purchase as owner-occupant primary residence or second home.
- Investment transactions involving attached units in established projects, at least 50% of the total units in the project (previously 51%) must be conveyed as primary residence or second home
- No more than 15% of the total units in an attached condo project can be 60 days (previously 30 days) or more past due on the HOA fees
- Commercial space allowance is now 25% (previously 20%)
- Projects consisting of 5-20 units, no single entity may own more than two (2) units (previously < 10 units no single entity could own more than one (1) unit)
- Project review is now allowed within 180 days preceding the Note date (previously 90 days)
- Ineligible projects topic has been updated to include:
 - Projects that require mandatory fee-based memberships for recreational amenities owned by an outside party.
 - Projects operating as continuing care/life care facilities
 - Expanded the definition for non-incident income to specify the situations under which 15% of non-incident income is allowed

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- Projects that permit a priority lien for unpaid common expenses in excess of priority lien limitations set by Fannie Mae.
 - Live-work projects, which allow unit owners to operate small-home based businesses from their residential dwelling, are eligible (subject to certain criteria).
 - Fannie Mae is requesting the HOA Tax ID be provided, however it is not required.
 - Documentation that attached PUD projects carry liability insurance is now required.

The new requirements are effective with loan applications dated on or after April 18, 2015 however enhancements may be applied to loans currently in the pipeline.

Applications dated prior to April 18th, 2015 can continue to use the older versions of Questionnaires; applications dated April 18th, 2015 and later must use the new versions of Questionnaires.

HomeBridge has created the following tools to assist brokers in determining the applicable review type:

- The HomeBridge Wholesale Fannie Mae Condo Review Eligibility Comparison Guide
- Fannie Mae Ineligible Condominium and Attached PUD Project Characteristic Reference Guide

The updated and new Fannie Mae Condo Questionnaires and the above reference guides have been posted on the HomeBridge website at www.homebridgewholesale.com

Fannie Mae's complete Project Standards guidelines can be viewed in the [Fannie Mae Selling Guide](#) Section B4-2.

If you have any questions, please contact your Account Executive.