

Bulletin 20-23

Fannie Mae and Freddie Mac Condo Project Review Flexibilities Due to COVID-19

Fannie Mae and Freddie Mac have announced condo project review flexibilities due to COVID-19

The policies are effective immediately and apply to loans with an application dated on or before May 17, 2020, including loans currently in the pipeline

Project Review Waiver (Refinance of Loan Currently Owned by Fannie Mae/Freddie Mac)

The maximum LTV has been expanded as detailed below:

- Fannie Mae: 90% LTV (currently maximum 80%). The CLTV/HCLTV may be higher
- Freddie Mac: 90% LTV/TLTV/HTLTV (currently maximum 80% LTV/TLTV/HTLTV)

The following requirements must also be met to be eligible for a project review waiver:

- Transaction must be a limited cash-out (rate/term) refinance, **and**
- The loan being refinanced is currently owned by Fannie Mae or Freddie Mac and the refinance is:
 - Fannie Mae to Fannie Mae, **or**
 - Freddie Mac to Freddie Mac, **and**
- **Owner-occupied transactions only**; ineligible on second home or investment transactions, **and**
- Established projects only; not available for new projects, **and**
- Fannie Mae/Freddie Mac current project in litigation requirements apply, **and**
- Project must have all applicable project related required insurance

Project Documentation Flexibilities: Established Projects

- Established project reviews may utilize the 2019 project budget in lieu of the 2020 project budget when the 2020 budget has not been ratified by the HOA due to COVID-19 related issues. This flexibility is **not** eligible for new project reviews
- Other sources of condo project data may be used to complete project reviews when the HOA/property managers are not available to provide the information, including, but not limited to:
 - Appraisal,
 - MLS records,
 - Plat map/site survey, and
 - Public record, tax searches, etc.
- Fannie Mae/Freddie Mac also issued a reminder that established project reviews are valid for one year prior to the Note date of the applicable mortgage and may be used for multiple condo units within the same project meeting the one year time frame

If you have any questions, please contact your Account Executive