

Bulletin 23-41

Updates to Fannie Mae and Freddie Mac Condominium Project Review Requirements

Fannie Mae [Announcement 2023-06](#) and Freddie Mac [Bulletin 2023-15](#), both dated July 5, 2023, detailed updates to condo project review requirements at the direction of the FHFA.

The new requirements address projects in need of critical repairs, projects under evacuation orders, and projects with special assessments. FNMA and FHLMC define projects in need of critical repairs as those needing repairs or replacements that significantly impact the safety, soundness, structural integrity, habitability of the project's building(s), or the financial viability or marketability of the project.

The project review must define critical repairs, material deficiencies, and significant deferred maintenance, including defining routine repairs that are not considered critical. Repairs that are considered routine and are completed within the project's normal operating budget or through a special assessment that are within FNMA/FHLMC guidelines, as applicable **are not** considered critical and therefore are not subject to these new updated policies.

Projects under either a partial or total evacuation order due to an unsafe condition, are ineligible until the unsafe condition has been remediated and the building(s) is deemed safe for occupancy.

Projects subject to a special assessment(s), **current or planned**, will require additional review by Homebridge to determine if the special assessment is associated with a critical repair. If the special assessment is due to a critical repair, **and** the issue that caused the special assessment has not been remediated, the project is **ineligible**.

Homebridge may require additional documentation to determine if the project meets requirements, including but not limited to items such as engineering report(s), structural and/or mechanical inspection reports, etc. See guidelines for complete details on all requirements.

The new, updated requirements **only apply** to projects with **5 or more attached units**. The new requirements apply to **all** project review types, including transactions eligible for a waiver of the project review, to Limited/Streamlined reviews and to reviews where the Underwriter can warrant the project.

The updated requirements apply as follows:

- To transactions with a **loan application** dated on or after September 18, 2023, **and**
- Full reviews completed by the Homebridge Condo Department where CPM (Condo Project Manager) reflects an unexpired project review and the loan application is dated on or after September 18, 2023: **The new requirements apply**
- Full reviews completed by the Homebridge Condo Department where CPM reflects an unexpired project review and the loan application is dated prior to September 18, 2023: **The new requirements do not apply**
- Full reviews completed by the Homebridge Condo Department where the initial submission to CPM is completed on or after September 18, 2023 regardless of the loan application date: **The new requirements apply**

NOTE: The Homebridge Condo Department will be responsible to determine the impact to Full Reviews, as detailed above, based upon available data in CPM.

Homebridge will confirm that the condo project does not reflect in CPM as “Unavailable” for **all** project review types including transactions eligible for a waiver of the project review for all loan applications dated on or after September 18, 2023 and to transactions where the new requirements apply as described above.

Homebridge has updated the following forms which are posted to the website for use. The updated forms **must be used** for FNMA and FHLMC transactions with an application dated on or after September 18, 2023:

- The **FNMA/FHLMC Full Questionnaires and Answer Keys**
- The **FNMA Limited Review Questionnaire** (used for Value Acceptance transactions only) and **Answer Key**
- The **FHLMC Streamlined Review Questionnaire** (used for ACE or ACE +PDR transactions only) and **Answer Key**

The guidelines have been updated for the changes; refer to the **Properties- Eligible Condominiums Topic** and the **Transactions with An Application Date on or After September 18, 2023** topic for a detailed list of the conditions identified that are considered a critical repair item and for additional detail and information on requirements for Routine Repairs, Projects Under Evacuation Orders and Special Assessments.

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