

Expedited Review Questions For Property Type: Established Projects

The following questions have been created to assist loan processors delegate the effort of collecting data to enter into Condo Project Manager (“CPM”). THE QUESTIONS ARE NOT INTENDED TO SUBSTITUTE FOR A CPM SUBMISSION and completion of this document will not result in acceptance of a condominium project. The questions are provided without any warranty, express or implied, as to their legal effect and completeness. The questions should be used as a guide. Please use at your own risk.

Guide Eligibility Questions

Is the project a condominium hotel?	Yes	No
Is the project a timeshare or a segmented ownership project?	Yes	No
Is the project a houseboat project?	Yes	No
Is the condo a multi-dwelling unit condominium (in which ownership of multiple units is evidenced by a single deed and mortgage)?	Yes	No
Does the condominium represent a legal, but nonconforming use of the land (if zoning regulations prohibit rebuilding to current density in the event of destruction)?	Yes	No
Is the project an Investment Security?	Yes	No
Is the project a common interest apartment or community apartment project?	Yes	No
Does the project have any non-incidental business operation owned or operated by the Homeowners Association?	Yes	No

Answering **Yes** to the above questions will result in Guide Ineligibility

Expedite Eligibility Questions

Is the project a cooperative?	Yes	No
Is the project a planned unit development (PUD)?	Yes	No
Is the project a manufactured housing project?	Yes	No
Is the project the subject of current litigation in which the homeowners association or developer, if the project has not been turned over to the HOA, is named as a party to the litigation? You may also answer NO to this question if the association or developer is named solely as the plaintiff in either a foreclosure action or as a plaintiff for past due association dues.	Yes	No

Does the project contain any commercial space? You may answer NO if : (1) the commercial space comprises no more than 20% of the total space, AND (2) the commercial use is compatible with the residential nature of the property.

Yes No

Answering **Yes** to the questions marked in **red** will result in a finding of Expedited Ineligible.

Investor concentration

Entire Project

Of Units _____

Of Units for Sale _____

Of Units Sold _____

Of Units Rented (Investor) _____

of Owner-Occupied Units (Principle Residences and Second Homes) _____

Single Investor Concentration

Does any single entity own more than 10% of the total units in the entire project? (If the project has fewer than 10 units, does any single entity own more than 1 unit?)

Yes No

Completion

All units and common areas are complete and not subject to additional phasing, and at least 90% of total units are conveyed.

Yes No

Note: The unit owners must have the sole ownership interest in, and rights to the use of, the project's facilities, common elements, and limited common elements once control is turned over to the unit owners.

Control of HOA

Has control of the HOA has been turned over to the unit purchasers?

Yes No

Are more than 15% of the total units in a project 30 days or more past due on their condominium/association fee payments?

Yes No

Budget

Does the project's projected budget appear to be adequate (i.e., includes allocations for line items pertinent to the type of condominium), including providing for the funding of replacement reserves for capital expenditures and deferred maintenance (at least 10% of the budget) and adequate funding for insurance deductible amounts?

Yes No

Insurance (Lender must ensure that the project's insurance meets all requirements set forth in

the Selling Guide)

Is hazard insurance in place to cover 100% of the insurable replacement cost of the project improvements, including the individual units? (The deductible amount must not exceed 5% of the policy's face amount.) Also answer yes if the individual units are not **fully** covered by the master policy but are **supplemented by** a "walls-in" or HO6 policy in an amount that is not less than 20% of each unit's appraised value. Yes No

Is liability insurance in place providing at least \$1 million of coverage for bodily injury and property damage per occurrence? Yes No

Is flood insurance (if required) in place providing coverage at least equal to the lesser of 100% of the insurable value of each building, including all common elements and property or the maximum coverage available under the National Flood Insurance Program? **Answer YES** if the project is **not** in a flood zone.

(**Answer NO** if the maximum deductible is more than the maximum deductible available under the National Flood Insurance Program – currently \$25,000 for a project and \$5,000 for one-to-four family units). Yes No

If the project has 21 or more units, is fidelity insurance in place covering the maximum amount of funds that will be in the custody of the owners' association or management company at any time? If the project has 20 or fewer units, fidelity insurance is not required and you may answer yes to this question. Yes No