

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-incidentual 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

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|--|-----|----|
| 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 condo fee payments one or more months delinquent?

Yes No

Insurance (Lender must ensure that the project's insurance meets all requirements set forth in Part XII, Chapter 7 of 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.)

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

Signature: _____

Date: _____