

(Single-Unit Approval for Non-Approved Condominium Projects)

ATTENTION: A FULLY COMPLETED CONDO QUESTIONNAIRE IS REQUIRED WITH FIRST CONDO REVIEW SUBMISSION. SUBSEQUENT RESUBMISSIONS WILL REQUIRE ALL REMAINING NEEDED DOCUMENTS PRIOR TO REVIEWING.

For Correspondent loans (loan # starts with MC) you must request the Holds Tracking in FHA Connection (**YOU MUST NOT REQUEST THE REGULAR FHA CASE #**). Please contact YOUR admin support with any questions **OR WHAT YOUR PROCESS IS FOR HOLD TRACKING.**

Condominium Project Approval Status

- Project must have a Condo ID# in FHA Connection, but not show as approved
- Confirm project is NOT on the FHA-Approved Condo list at case number assignment

Borrower Eligibility

- Loan must receive 'Accept' from TOTAL Scorecard, OR
- If manually underwritten, LTV must be $\leq 90\%$

Occupancy

- Only primary residence allowed
- Minimum 35% of total units must be owner-occupied

Property Eligibility

- Project must contain at least 5 units

Single Entity Ownership

- If project has ≥ 20 units: no more than 10% owned by one entity/individual
- If project has < 20 units: no owner may own more than 1 unit (no multiple ownership allowed)

FHA Concentration

- For Spot Approval: max 10% of units may be FHA-insured
- For Approved Projects: max 50% of units may be FHA-insured

Delinquent HOA Dues

- No more than 15% of units can be 60+ days delinquent

Required Documentation for FHA Spot Approval:

- Appraisal
- Full Condo Questionnaire Form 9991 (Completed); required for both approved and unapproved projects
- Condo By-Laws
- Articles of Incorporation
- Master Deed/Declaration
- Litigation documentation (court records + attorney opinion letter)
- Condo Current Year's Budget (at least 10% of income must be allocated to reserves)
- Previous year audited/unaudited financials with Balance Sheet
- Current 90 days of financials with Balance Sheet
- HO-6 Policy (Walls-in + contents coverage): if Master Policy does not cover walls-in, coverage must be at least 20% of appraised value

Condo Master Certificate of Insurance (COI): must include subject unit#, address, borrower names, loan # and mortgagee clause, show coverage for property, liability, fidelity/crime (Must have Crime/Fidelity Coverage for projects with 20 or more units. Required Perils must be covered {Fire, lightning, explosion, windstorm, hail, smoke, aircraft or vehicle, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, water damage}), law & ordinance A/B/C, 100% replacement or guaranteed cost, flood if applicable, inflation guard or confirmation from agent coverage is not available in the market for the condo, required perils, deductibles ≤5% of each coverage

Additional conditions may be required upon receipt and review of the above items.