



Uniform FNMA Condo Questionnaire

Project Name: _____

Address: _____

City: _____ State: _____

HOA Contact: _____ Phone: _____

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 project a multi-dwelling (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

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 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

SELECT ONLY ONE OF THE FOLLOWING:

The project has 2 to 4 units.

The project is an [established](#) project with more than 4 units. (Select this option only if ALL of the following apply: 90% or more of the units have been conveyed to unit purchasers AND all common areas and units are completed AND the project is not subject to additional phasing, and control of the HOA has been turned over to the unit purchasers.).

The project is a [new project](#) with more than 4 units. The project may be proposed, under construction (new or rehabilitation/conversion), or completed. (Select this option if the project does not meet ALL of the criteria for an established project.).

INVESTOR CONCENTRATION

Entire Project

of Units _____

of Units for Sale _____

of Units Sold* _____

of Units Rented (Investor) _____

of Owner-Occupied Units (Principal and 2nd homes) _____

Investor Concentration % (Units Rented / Units Sold) _____

* # of Units Sold must be greater than 90% of the total # of Units in project.

Single Investor Concentration

Does any single entity own more than 10% of the total units in entire project? Yes No

(If the project has fewer than 10 units, does any single entity own more than 1 unit?) Yes No

Completion

Has control of the HOA been turned over to the unit purchasers? Yes No

Are more than 15% of the total units in the 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

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?

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

HOA Contact Signature

Date

GLOSSARY:

Bond Letter:

A letter reflecting a developer's obligation to complete certain improvements in a local municipality which is secured by either (i) cash; (ii) a letter of credit issued by a bank or similar reputable institution in such form and accompanied by such documents as may be required; or (iii) a surety bond whereby one party, the surety, guarantees the developer will perform a specific obligation (i.e., the completion of improvements).

Common interest apartments or community apartments:

Any project or building that is owned by several owners as tenants-in-common or by a homeowners association in which individuals have an undivided interest in a residential apartment building and land, and have the right of exclusive occupancy of a specific apartment in the building.

Completion Assurance:

A bond letter or other legal documentation assuring completion of improvements.

Condominium or cooperative hotels:

Fannie Mae considers projects with any of the following characteristics to be hotel-type projects and therefore, ineligible:

- Projects with registration services that offer rentals of units on a daily basis.
- Projects with names that include the words "hotel" or "motel".
- Projects that restrict the owner's ability to occupy the unit.
- Projects with mandatory rental pooling agreements that require the unit owners to either rent their units or to give a management firm control over the occupancy of the units: These formal agreements between the developer, homeowners association and/or the individual unit owners, obligate the unit owner to rent the property on a seasonal, monthly, weekly or daily basis. In many cases, the agreements include blackout dates, continuous occupancy limitations and other such use restrictions. In return, the unit owner receives a share of the revenue generated from the rental of the unit.

The following features, if present in a specific project, should serve as an indication that additional research is necessary to determine project eligibility:

- Central telephone system
- Room service
- Projects with units that do not contain full-sized kitchen appliances
- Daily cleaning service
- Advertising of rental rates

- Registration services
- Restrictions on interior decorating
- Franchise agreements, or
- Central key systems

Conveyance:

Transfer of title to the individual owner of a unit.

Cooperative:

A residential or mixed-use building wherein a corporation or trust holds title to the property and sells shares of stock representing the value of a single apartment unit to individuals who, in turn, receive a proprietary lease as evidence of title

Detached:

A condominium project composed of individual units that are free-standing buildings.

Established Conversion:

A conversion of an existing structure into a condominium that meets all the criteria for an established project. (See established project.)

Established Project:

A completed project with 5 or more units that meets ALL of the following criteria:

- All units and common areas are completed;
- The project is not subject to additional phasing;
- Control of the homeowners' association (HOA) has been turned over to the unit purchasers;
and
- 90% or more of the units have been conveyed to the unit purchasers.

Garden:

A multi-unit building in which each unit has its own entrance from the outside.

Gut Rehabilitation:

An apartment-to-condominium conversion in which an existing structure is gutted down to its shell and rebuilt with new HVAC and electrical components.

High-rise:

A multi-unit building with 6 or more floors.

Houseboat:

A development that consists of houseboats that are afloat and not permanently affixed to a foundation.

Investment Security:

Projects where unit ownership is characterized as an investment opportunity, projects that have documents on file with the Securities and Exchange Commission, or projects where unit ownership is promoted as an investment opportunity.

Investor Concentration:

The percentage of units in a condominium that are sold to investors compared to the number of units sold to all owners.

Leasehold estate:

A way of holding title to a property wherein the borrower does not own the property but has a recorded long-term lease on it.

Mid-rise:

A multi-unit building with 3 - 5 floors.

Multi-dwelling Unit Condominium:

A project in which an owner may hold title (or stock ownership and the accompanying occupancy rights) to more than one dwelling unit, with ownership of all of his or her units (or shares) evidenced by a single deed and mortgage (or share loan).

New Conversion:

A conversion of an existing structure into a condominium that does not meet all the criteria for an established project. (See established project.)

New Construction:

A project with more than 4 units (a proposed, under construction, or completed) that does not meet ALL the criteria for an established project.

Nonconforming Land Use:

A structure and/or use of land that is legal but does not comply with current, applicable land development regulations.

Non-incident business operation:

Projects with non-incident business operations owned or operated by the owners' association such as, but not limited to, a restaurant, spa or health club.

Planned Unit Development (PUD):

A project or subdivision that consists of common property and improvements that are owned and maintained by an owners' association for the benefit and use of the individual PUD units. To qualify as a PUD, each unit owner's membership in the owners' association must be automatic and non-severable, and the payment of assessments related to the unit must be mandatory.

Presale Percentage:

The percentage of units in a condominium project (or legal phase) that are under contract or sold compared to the total number of units in the project (or phase).

Row/Townhouse:

A project composed of individual units that are attached buildings (sharing common walls).

Segmented Ownership :

A property right under which the purchaser has access to a property "segment" for a specific time.

Single Investor Concentration:

No single entity, (the same individual, investor group, partnership, or corporation) other than the developer during the initial sales period, may own more than 10% of the total units in the project.

Time Share:

A real estate development in which purchasers have the exclusive right to occupy a unit for a specified period of time each year, during which they have access to any amenities offered (such as swimming pool, tennis courts, putting greens, club house, etc.).

2-4 unit condominium project:

A condominium project that consists of four or fewer dwelling units.