



**November 5, 2021**

## **Subject: Temporary Requirements for Condominium Projects**

Hometown Equity Mortgage has updated the Condominium Project Questionnaire with additional questions regarding special assessments and inspections performed on the project. Specifically, loans secured by units in condo projects with significant deferred maintenance or in projects that have received a directive from a regulatory authority or inspection agency to make repairs due to unsafe conditions are not eligible for purchase.

Additionally, Hometown Equity Mortgage will not purchase loans secured by units in any condo project identified by FNMA as “Unavailable” by Condo Project Manager (CPM).

The Condominium Project Questionnaire is required to be completed by the project HOA on every condominium project. The additional questions regarding special assessments and inspections performed on the project is required to identify projects with significant deferred maintenance. Any projects with significant deferred maintenance or have received a directive from a regulatory or inspection agency to mark repairs due to unsafe conditions are not eligible for purchase. Significant deferred maintenance includes deficiencies that meet one or more of the following criteria:

- Full or partial evacuation of the building to complete repairs is required for more than seven days or an unknown period of time;
- The project has deficiencies, defects, substantial damage, or deferred maintenance that
  - o is severe enough to affect the safety, soundness, structural integrity, or habitability of the improvements;
  - o the improvements need substantial repairs and rehabilitation, including many major components; or
  - o impedes the safe and sound functioning of one or more of the building’s major structural or mechanical elements, including but not limited to the foundation, roof, load bearing structures, electrical system, HVAC, or plumbing





**CONDOMINIUM PROJECT QUESTIONNAIRE**

Project Name:		Date:	
Project Street Address:		HOA Taxpayer ID:	
Unit Address:		Loan Number:	
HOA Representative:		Lender Name:	

In order to determine eligibility of your project, we ask for your assistance in completing this form. Any officer of the association/management may complete this form. It is imperative that each question is answered in full. Your cooperation will assure a smooth experience for both the borrower and the seller.

**PART I - PROJECT INFORMATION**

Please provide actual numbers and not percentages in the chart below:

Legal Phase # Previous and Future Phases	# of Units Per Phase	# of Buildings	# of Units Complete	# of Units for Sale	# of Units Sold or Under Contract	# of Owner Occupied and Secondary Homes	# of Investor Units
<b>Note:</b> If unable to provide number of second homes, provide number of off-site addresses:							

- Please provide a breakdown of the total number of units in the Project below:  
 # of Owner Occupied Units \_\_\_\_\_ # of Investor Units \_\_\_\_\_ # of Units Sold from Developer \_\_\_\_\_  
 # of Secondary Home Units \_\_\_\_\_ # of Units for Sale \_\_\_\_\_ # of Units in Entire Project \_\_\_\_\_
- Does the Project have any characteristics listed below? Please check all that apply:  Yes  No  
 Hotel/Motel Operations  Maid Service  Room Service  Bellman  On-Site Registration Desk  
 Houseboat  Key-Card Entry  Mandatory Rental Pool  Short Term/Daily Rentals  
 Investment Security  Cooperative  Manufactured Housing  Continuing Care Facility  Live-Work Project  
 Timeshare  Multi Dwelling
- What year was the Project built or converted? \_\_\_\_\_
- How many stories or floors does the Project have? \_\_\_\_\_
- What is the maximum number of units allowed in the Project? \_\_\_\_\_
- Are at least 90% of the total units sold and closed?  Yes  No
- Are all units and common elements complete and not subject to any additional phasing and/or additions?  Yes  No  
 If Yes - When was the Project completed? \_\_\_\_\_





CONVENTIONAL/NON-QM CONDO QUESTIONNAIRE

- 8. If Project is not complete, is the subject legal phase, or any prior legal phases in which units have been offered for sale, substantially complete and has a Certificate of Occupancy been issued?
9. Is the Project a conversion of an existing building within the last three years?
10. Is any part of the Project used for commercial space?
11. Is the Project part of a mixed-use building (contains both commercial and residential space not part of the association)?
12. Is the HOA or developer involved in any litigation and/or arbitration, including the project being placed in receivership, bankruptcy, deed-in-lieu of foreclosure or foreclosure?
13. Are there any pending or levied special assessments by the HOA?
14. Does the association have any knowledge of any adverse environmental factors affecting the Project as a whole or any individual unit within the Project?





**CONVENTIONAL/NON-QM  
CONDO QUESTIONNAIRE**

- 15. Is there more than one association within the Project, covered by a Master or umbrella association?  Yes  No  
 If Yes - Master Association name: \_\_\_\_\_  
 Amenities and/or recreational facilities available through Master Association: \_\_\_\_\_
- 16. Are there any common amenities and/or recreational facilities available or to be built in the future? If yes, please provide type(s).  
 Yes  No  
 Pool  Clubhouse  Tennis Court  Playground  
 Other (describe): \_\_\_\_\_
- 17. Are all common elements, amenities, and/or recreational facilities owned jointly by the unit owners/HOA (including any Master Association)?  Yes  No  
 If No - Please provide an explanation: \_\_\_\_\_
- 18. Does the HOA own all amenities and recreational facilities debt and lien free?  Yes  No
- 19. Do the unit owners in the Project have rights to the use of all common elements/amenities?  Yes  No
- 20. Does the HOA share any common amenities with other, unaffiliated projects?  Yes  No
- 21. Does the Project have any mandatory, upfront membership fees for the use of recreational amenities owned by an outside party?  
 Yes  No
- 22. Are any units in the Project with resale or deed restrictions?  Yes  No  
 If Yes - Please explain. Provide related agreements and number of units subject to restriction and unit numbers:  
 \_\_\_\_\_
- 23. Are all units owned fee simple?  Yes  No
- 24. Are any of the units owned in a leasehold? If yes, please provide copies of leasehold documents.  Yes  No
- 25. Is the developer leasing or renting any of the units in the Project?  Yes  No  
 If Yes - Please provide number of units leased/rented by the developer. \_\_\_\_\_
- 26. Is the developer responsible for assessments on unsold units?  Yes  No
- 27. If a unit is taken over in foreclosure, will the mortgagee be liable for more than six months of unpaid dues?  Yes  No
- 28. How many units are over 60 days delinquent on HOA dues or assessments (including REO owned units)? \_\_\_\_\_
- 29. How many units are over 30 days delinquent (including units that are over 60 days delinquent) in payment of HOA dues or assessments (including REO owned units)? \_\_\_\_\_
- 30. Does any single entity (individual, investor, or corporation) own more than 10% of the units in the Project?  Yes  No
- 31. Are two members of the HOA Board required to sign all checks written from the reserve account?  Yes  No
- 32. Does the HOA maintain two separate bank accounts for the operating and reserve accounts?  Yes  No





**CONVENTIONAL/NON-QM  
CONDO QUESTIONNAIRE**

33. Does at least 10% of annual budget provide for funding or replacement reserves, capitol expenditures, deferred maintenance and insurance deductibles?  Yes  No

34. What is the current dollar balance of the reserve account? \_\_\_\_\_

35. Has any maintenance or engineering inspection report been completed in the past five (5) years?  Yes  No

a) If Yes - Any significant deferred maintenance items identified?  Yes  No

i) If Yes - Provide documentation/evidence that items have been addressed. (Attach Documents)

36. Has the HOA received a directive from a regulatory or inspection agency to mark repairs due tounsafe conditions?

Yes  No

37. Is the Project professionally managed?  Yes  No

If Yes - What is the length of the current management contract? \_\_\_\_\_

Does the management contract require a penalty for cancellation of at least 90 days?  Yes  No

38. Has the developer turned over Project control to the unit owners?  Yes  No

If Yes - When was it turned over? \_\_\_\_\_

If No - What is the anticipated date the Project will be turned over to the unit owners? \_\_\_\_\_

39. If/when the Project is turned over to the unit owners, does the developer retain any ownership in the Project besides unsold units?  Yes  No

If Yes - Please provide what is owned by the developer and how it is used: \_\_\_\_\_

**PART II - PREPARER INFORMATION**

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Title: \_\_\_\_\_ Email: \_\_\_\_\_

When completed, by HOA representative, this form will be utilized to help determine financing eligibility of a unit within the Project. Completion of this form does not create legal liability on the part of the preparer.

The undersigned hereby certifies that the above information is true and correct to the best of the preparer's knowledge and is presented on behalf of the Homeowners Association for the Project listed.

Signature of HOA Representative: \_\_\_\_\_ Date: \_\_\_\_\_

