

# CPM Review for New Condo Projects



Complex Name: \_\_\_\_\_

Complex Address: \_\_\_\_\_

Fannie Condo Approval

Freddie Condo Approval

(Check all that apply.)

Form to be completed by the Condo HOA – Please sign and date page 5

## Please review before submitting.

If project is one of the following this project is not eligible:

- (1) New Condo in Florida
- (2) "No Gut" Rehab

Project must also be the following:

- (1) 100% complete within the legal phase
- (2) 50% must be covered under contract to primary residence or second home (Above 70% if applying for Freddie approval)

## Guide Eligibility Questions

- |  |     |    |
|--|-----|----|
| 1. Is the project a condominium hotel? (circle Yes if any of the following are true)   | Yes | No |
| a) Is there a rental desk or registration desk located on the property that offers rentals on a daily basis?   |     |    |
| b) Are daily or weekly rentals available?  |     |    |
| c) Are there any mandatory rental pooling agreements associated with the Condo Association?  |     |    |
| d) Are there maid services?  |     |    |
| 2. Is the project a timeshare or a segmented ownership project?  | Yes | No |
| 3. Is the project a houseboat project?   | Yes | No |
| 4. Is the project a multi-dwelling unit condominium (in which ownership of multiple units is evidenced by a single deed and mortgage)?                                   | Yes | No |
| 5. 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 |
| 6. Is the project an Investment Security?  | Yes | No |
| 7. Is the project a common interest apartment or community apartment project?  | Yes | No |
| 8. Does the project have any non-incidental business operation owned or operated by the Homeowners' Association?   | Yes | No |
| 9. Is the project in whole or in part operated or owned as a continuing care facility which provides medical and/or supportive services to unit owners?                  | Yes | No |
| 10. Is the project out of compliance related to the lien priority of unpaid common expense assessments (limited to 6 months)?  | Yes | No |

- |   |     |    |
|---|-----|----|
| 11. Is the project in whole or in part operated or owned as a continuing care facility which provides medical and/or supportive services to unit owners?  | Yes | No |
| 12. Are residential unit owners required to pay mandatory upfront or periodic membership fees for the use of recreational amenities (Not owned by the HOA or master association, instead owned by an outside party) | Yes | No |
| 13. Are any of the project facilities, amenities, or common elements owned by an entity other than the HOA?   | Yes | No |
| 14. Are there environmental hazards that have not been appropriately assessed and remediated?   | Yes | No |
| 15. Are units in the project subject to resale restrictions?  | Yes | No |

**Project Information**

- |   |       |    |
|---|-------|----|
| 16. Is the project a cooperative?   | Yes   | No |
| 17. Is the project a manufactured housing project?  | Yes   | No |
| 18. Is the homeowners' association or sponsor/developer named as a party to any litigation?   | Yes   | No |
| 19. Is the project currently in litigation related to the safety, structural soundness, habitability or functional use of the project?  | Yes   | No |
| 20. Is the project currently in litigation involving minor matters as defined in the Fannie Mae Selling Guide?  | Yes   | No |
| 21. Does a single entity own more than the following total number of units in the project?<br>Projects with 2 to 4 units – 1 unit<br>Projects with 5 to 20 units – 2 units<br>Projects with 21 or more units - 20%                    | Yes   | No |
| 22. Does the project contain commercial space? You may answer No if:<br>The commercial space comprises no more than 35% of the total space <b>AND</b><br>The commercial use is compatible with the residential nature of the property | Yes   | No |
| 23. <b><u>For Detached Properties</u></b> – Is the property covered by the type of hazard and flood Insurance required for a single-family detached dwelling?   | Yes   | No |
| 24. In what year was the project originally built?  | _____ |    |
| 25. <b><u>For 2-4 unit projects</u></b> - Are at least 1 out of 2 units, 2 out of 3 units, or 3 out of 4 units being sold as owner occupied or second homes?  | Yes   | No |

Total # of Units

# of Units Sold (Developer Sales Only)

# of Units Rented (Investor)

# of Owner- Occupied Units ( Principal Residences and Second Homes)

**Entire Project**

# of Phases

# of Units

# of Units for Sale (Developer Unsold Units)

# of Units Sold (Developer Sales Only)

# of Units Rented (Investor)

# of Owner- Occupied Units ( Principal Residences and Second Homes)

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### Undisclosed Seller Concessions

26. Are you aware of any sale/financing structures in excess of Fannie Mae's eligibility policies for mortgage loans? These excessive structures could include builder/developer contributions, sales concessions, homeowner association or principle and interest payment abatements and or undisclosed contributions.
- Yes No

### Completion

27. Is the project (or subject legal phase if this certification is for a legal phase only) substantially complete, and there is no more than one legal phase per building? (Refer to the Selling Guide for additional guidance).
- Yes No

28. If the project (or the subject legal phase if this certification is for a legal phase only) is not 100% complete, have acceptable completion assurance arrangements been reviewed (such as a bond, cash deposit, letter of credit) to guarantee the future completion of all project facilities, common elements and limited common elements? You may answer yes to this question if the project is 100% complete.
- Yes No

Note: 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, unless two or more HOAs share amenities and have an agreement in place governing such arrangement.

### Control of HOA

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

### Common Charge Delinquency

30. Are more than 15% of the total units in a project 60 days or more past due on their condominium/association fee payments? (In a two to four unit project, none can be past 60 days.)
- Yes No

### Budget

31. 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?  
**(Please provide a copy of budget)**  
***(Budget not required on 2 to 4 unit projects)***
- Yes No

**Insurance**

32. 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 an appropriate HO6 insurance policy in an amount that meets the requirement for a Fannie Mae loan. **Yes** No  
(Please provide a copy of policy)

33. Is liability insurance in place providing at least \$1 million of coverage for bodily injury and property damage per occurrence? **Yes** No  
(Please provide a copy of policy)

Insurance Contact: **Agent Name:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

34. Is flood insurance (if required) in place providing coverage at least equal to the lessor of 100% of the insurable value of each building, including all common elements and property or the maximum 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  
(Please provide a copy of policy)

35. 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 owner's association or management company at any time? **Yes** No  
You may also answer **Yes**, if the project has 20 or fewer units and fidelity insurance.  
(Please provide a copy of policy)

Return signed form to gmfscondos@gmfslending.com. Include copy of Budget and Insurance.

**Form to be completed by the Condo HOA – Please sign and date below**

*Exceptions to agency guidelines cannot be made or approved by GMFS management. Any and all exceptions to condo approval projects can only be made by the applicable agency through a variance request.*

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Contact Phone Number**

\_\_\_\_\_  
**Title**

**Checklist of Items**

- **PLEASE INCLUDE** this checklist along with your contact information including phone and email address.
- **DEPENDING ON VOLUME AND COMPLEXITY**, this review may take several business days. We strive to respond as quickly as possible, and may request further information, as circumstances dictate.
- **TOTAL GUT REHABILITATION CONVERSION** reviews will require a summary list from the Developer of all work done with costs thereof.

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Lender Name: \_\_\_\_\_ Loan Number: \_\_\_\_\_

Submitted by: \_\_\_\_\_ Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

Condominium Questionnaire

Appraisal subject unit

Current annual budget

Balance sheet within the past 60 days

First 4 pages of Declaration of Condominium  
(also called the "Master Deed" or "CCR's")

Insurance certificate for applicable types

**For New Construction or New Gut Rehab conversions only.**

Copy of Declaration of Condominium including  
Amendments and Bylaws

Presale Form

The address for overnights is: GMFS LLC.  
7389 Florida Blvd., Suite 200A  
Baton Rouge, LA 70806

**Email:** gmfscondos@gmfsllending.com