



Announcement 15-07

Date: February 9, 2015

Topic: Conforming Condo Project Warranty Documentation

Lenders that sell mortgage loans secured by units in a condo project are expected to have staff that are knowledgeable about and qualified to evaluate the specific risks presented by these properties.

As a reminder, in addition to selecting the appropriate warranty type on the 1008, Lenders must include all documentation that evidences the project meets condo eligibility requirements. See below for a table reflecting the basic documents that are expected to be in the loan file, based on warranty type:

Review Type	Documentation
Limited or Streamline	<ul style="list-style-type: none"> • 1008 with warranty type • HOA Questionnaire • Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy • Liability Policy (Freddie Mac only) • Fidelity/Crime Policy (Freddie Mac only for projects with 21 or more units)
Full or Established Review	<ul style="list-style-type: none"> • 1008 with warranty type • HOA Questionnaire • Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy • Liability Policy • Fidelity/Crime Policy, for all projects with 21 or more units • Budget with adequate reserves
New Project review	<ul style="list-style-type: none"> • 1008 with warranty type • HOA Questionnaire • Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy • Liability Policy • Fidelity/Crime Policy, for all projects with 21 or more units • Budget with adequate reserves

<p>CPM or PERS Approval (Fannie Mae only)</p>	<ul style="list-style-type: none"> • 1008 with warranty type and unexpired CPM Certification number or verification of Final PERS approval • HOA Questionnaire • Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy • Liability Policy • Fidelity/Crime Policy, for all projects with 21 or more units
<p>Reciprocal Project Review (Freddie Mac only)</p>	<ul style="list-style-type: none"> • 1008 with warranty type and unexpired CPM Certification number or verification of Final PERS approval • HOA Questionnaire • Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy • Liability Policy • Fidelity/Crime Policy, for all projects with 21 or more units

Note: The lender remains responsible for ensuring the condo project warranty is documented with any other documents, as applicable. Selecting the appropriate warranty type on the 1008 indicates the lender has reviewed the condo project and the project meets all applicable requirements.

Please contact your Sales Representative with any questions.