

Wednesday, September 30, 2020

Bulletin #2020-AC-048

## NOTICE TO ALL CUSTOMERS

### Update for Site Condominium Properties in Michigan - VA Loans

As announced by the Department of Veterans Affairs via VA Circular 26-20-36, VA issued a State variance for lenders to follow when the property securing the mortgage is a site condominium located in Michigan.

This variance will allow the lender not to require VA condominium approval for the site condominium unit so long the following requirements can be met:

- The condominium unit must be held in Fee Simple.
- The VA loan must hold the first or superior position and has priority over all other liens or claims. In order to confirm this, the loan originator must provide a copy of the Condominium HOA CCR & Articles of Incorporations for the Underwriter to determine acceptability.
- The appraisal report must still be completed utilizing FNMA 1073/FHLMC 465 appraisal form.

When requesting the VA Case Number to order the appraisal, the Loan Originator is still required to identify the property as a condominium in item 3A of the 26-1805 Form in WEBLG, but will not have to provide a Condominium ID number.

Important: All other geographical areas are unaffected by this change which means all condominiums including site condos outside of Michigan require VA condominium approval.

Loan Originators and Processors are urged to read the Circular in its entirety by clicking here [Circular 26-20-36](#)

To access our Temporary Policies Related to COVID-19 for complete requirements [click here](#).