

## Requirements for Lender Full Legal Review Projects

To qualify, a project must meet the following criteria:

1. Non-gut rehabs new conversions must be submitted to Fannie Mae for Condominium approval known as PERS. A new non-gut rehab conversion will require documentation that the project was renovated to the shell and new mechanical equipment was installed.
2. In order to be considered an Established project (FNMA Type S), a project must be complete with no additional phasing, control of the project has turned over to unit owners from Developer and 90% of the units must be conveyed (closed). Fannie Mae will consider a project as established with less than 90% of the units sold to unit purchasers if Developer has no more than 20% of the total units held back for rentals as long as these units' fees are current and there are no special assessments. Freddie Mac considers a project as established (FHLMC EST) when at least 75% of the total units are conveyed. All other projects would be classified as FNMA Type R/FHLMC New.
3. All units, common elements, and facilities within the project, or legal phase must be 100% complete.
4. The condominium documents must comply with the Legal Guidelines for Type R/New projects. This is determined through a review of the constituent documents.
5. For new projects, at least 50% of units in the project or subject legal phase together with all prior legal phases, must be conveyed or under contract to principal residence or second home buyers.
6. No single entity, other than units owned by developer still for sale, may own more than 25% of the units for Freddie Mac loans, or 20% of the units for Fannie Mae loans. If a project consists of 5-20 units that are part of a master association, no one can own more than 2 units.
7. The fidelity, hazard including confirmation of wind, liability and flood insurance requirements must be met.
8. If the master or blanket insurance policy **does not provide coverage for the interior of the unit**, the borrower will be required to obtain a "**walls in**" coverage policy (commonly known as HO-6 insurance policy).
9. The condominium must be well managed. No more than 15% of the unit owners can be more than 60 days delinquent. The budget must be adequate and provides for funding of replacement reserves for capital expenditure and deferred maintenance in the amount of at least 10% of the budget.
10. No more than 15% of the total number of units in a project are 60 or more days delinquent in the payment of each special assessment.
11. No more than 35% of the total square footage of the project can be used for nonresidential purposes.
12. The units in the project must be owned fee simple or if in a leasehold. If the project is in a leasehold, any approval will be subject to a review of the lease by an attorney.
13. All facilities and amenities related to the project must be owned by the unit owners or the homeowner's association and not subject to a recreational lease. No mandatory club membership fees are allowed unless amenities are owned exclusively by the HOA or the Master Association.
14. Projects with special assessments and/or loans will require separate documentation which shall include the reason for the special assessment or loan, the total amount assessed and total amount per unit, repayment, terms, documentation to support no negative impact to the financial stability, viability, condition, and marketability of the project.
15. The project is not terminating and is not involved in insolvency proceedings.

**IMPORTANT: ADDITIONAL DOCUMENTATION MAY BE NECESSARY WHICH MAY INCLUDE THE NEED TO REVIEW THE HOA'S MEETING MINUTES FOR THE MOST RECENT SIX (6) MONTHS OR BASED ON THE HOA MEETING SCHEDULE, ETC.**

### CHECKLIST OF ITEMS

- **PLEASE INCLUDE** this checklist along with your contact information including phone and email address.
- **THE DOCUMENTS BELOW CAN BE SUBMITTED** via EMAIL [reviews@condoreviews.com](mailto:reviews@condoreviews.com).
- **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.**

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

Loan Type:  Conventional  FHA      Transaction Type:  Purchase  Refinance

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

\_\_\_\_\_

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|--|--|
| _____ Condominium Questionnaire (attached)   | _____ Appraisal of subject unit                  |
| _____ Current Annual Budget  | _____ Insurance Certificate for applicable types |
| _____ First 4 pages of the Declaration of Condominium and By-Laws of HOA & amendments or CCR's   | _____ Sales Contract (if applicable)             |
| _____ DU/LPA findings or 1008  | _____ Balance Sheet within the past 90 days      |
| _____ Additional Items as requested: HOA Meeting Minutes Reserve Study, Engineer Reports, Structural and/or mechanical inspection reports. | _____ Complete FNMA Form 1076A/FHLMC Form        |
|  | _____ Flood Determination Certificate            |

**For New Construction or New Gut Rehab conversions only provide:**

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|--|---|
| _____ DU/LPA findings or 1008  | _____ Balance Sheet within the past 90 days |
| _____ Declaration of Condominium including Amendments and Bylaws for both Subject & Master Association | _____ Presale Form                          |
| _____ Site Plan  | _____ Master Association current budget     |
|  | _____ Insurance for Master Association      |

The address for overnights is:

**Florida Capital Bank, N.A. – Condo Review Dept.**

9040 Town Center Parkway,  
Lakewood Ranch, FL 34202  
Phone: 941-896-3997 / 833-242-4484  
Fax 941-747-9725  
Email: [reviews@condoreviews.com](mailto:reviews@condoreviews.com)

**CONDOMINIUM REVIEW FORM**

PROJECT LEGAL NAME: \_\_\_\_\_ CITY AND STATE: \_\_\_\_\_

Total # of Units	# of units conveyed	Developer owned units	# of Owner Occupants	# of Second homes	# of Investors

We will not accept "Doesn't track", "Unknown", "N/A" or blanks for answers. Provide actual numbers & not percentages.

1. Does the project have any of the items listed below? Please mark all that apply.  Yes  No
  - Multi-Dwelling Unit (more than one unit on a deed and/or mortgage) security with the SEC  The project is listed as an investment
  - The project contains non-incidentual business operations (restaurant, spa, etc.)  Project is a common interest apartment or community apt. project.
  - Interior Decorating or Furnishing Restrictions  Occupancy limits or blackout dates.
2. Are there short-term rentals?  Yes  No. If yes, what is the minimum rental period? \_\_\_\_\_ days
3. Does the project offer Hotel Services?  Yes  No
4. Does the project have hotel or resort ratings through hotel booking websites or travel agencies  Yes  No
5. Is the HOA a licensed Hotel, Motel, Resort, or Hospitality Entity?  Yes  No
6. Is the project managed by a Hotel/Resort Management Company?  Yes  No
7. Does the project have separate Rental and/or Management Entities?  Yes  No
8. Does the HOA or legal documents require owners to make units available for rental pooling?  Yes  No
9. Do the HOA or legal documents require owners to share profits from rental or units with the HOA, Management Company, or resort/hotel rental company?  Yes  No
10. Largest number of units owned by a single person/entity. (The lowest number would be at least 1.) \_\_\_\_\_
11. No. of units over 60 days delinquent, and the dollar amount of delinquency \_\_\_\_\_ \$
12. Is there any additional phasing or annexation?  Yes  No
13. Are units owned fee simple (FS) or leasehold (LH)?  FS  LH
14. Are all units, common areas, and amenities completed?  Yes  No
15. Date Association turned over to unit owner control (Month/Year) \_\_\_\_\_ / \_\_\_\_\_
16. Is the project a conversion? Year converted \_\_\_\_\_  Yes  No  
 If yes, is the project a Gut rehab with renovation of the property down to the shell, replacement of all HVAC & electrical components?  Yes  No
17. Does the project contain any governmentally regulated low- or moderate-income Housing Units (also known as inclusionary Zoning)?  Yes  No  
 If yes, is the subject designated as a low-to-moderate income unit?  Yes  No
18. Is the project subject to a recreation/land lease?  Yes  No
19. Are the units subject to a recurring transfer fee paid to the developer upon the sale of a unit?  Yes  No
20. Does the project have mandatory club membership?  Yes  No  
 If yes, who owns the club? \_\_\_\_\_
21. Is the association subject to any lawsuits or pre-litigation activity (mediation, arbitration, etc.)?  Yes  No  
 If yes, provide the complaint(s) for the lawsuit(s) and/or details of the pre-litigation activity on a separate sheet
22. Does the project contain commercial space?  Yes  No  
 If yes, what percentage of the project is commercial? \_\_\_\_\_%
23. Has the Homeowners' Association or Developer retained any right of first refusal?  Yes  No  
 If yes, are the mortgagees excluded from this right of first refusal?  Yes  No
24. If a unit is foreclosed or taken back by deed in lieu of foreclosure, is the mortgagee (lender) responsible for HOA dues?  Yes  No  
 If yes, for how long?  0-6 months  7-12 months  more than one year
25. Is the project located in a Master Association?  Yes  No
26. Does the HOA or Management Co. maintain separate accounts for operating & reserve funds?  Yes  No
27. Are the monthly account statements being sent directly to the HOA?  Yes  No
28. Does the management company have the authority to draw checks against or transfer from the reserve account?  Yes  No
29. Are 2 or more members of the Board of Directors required to sign checks from the reserve account?  Yes  No
30. What is the balance in the segregated reserve account? \_\_\_\_\_ \$
31. Is the project subject to an action that would cause the project to cease to exist, including termination, deconversion or dissolution of the project's legal structure?  Yes  No
32. Is the project subject of a voluntary or involuntary bankruptcy, insolvency, liquidation, or receivership proceeding, or any substantially similar action under state or federal law?  Yes  No  
 This includes any project that has voted on, or is in the process of voting on any of the actions or proceedings regarding critical repairs, engineers reports, reserves studies, special assessment and/or deferred maintenance
33. If yes, what elements are impacted? \_\_\_\_\_

**Special Assessments**

34. Are there any special assessments ongoing or planned?  Yes  No
35. If yes, what is the purpose for the special assessment? \_\_\_\_\_
36. What is the total amount of each special assessment? \_\_\_\_\_
37. When does the special assessment begin and end? \_\_\_\_\_
38. If the special assessments are related to critical repairs within the project, have those repairs been completed?  Yes  No
39. How many unit owners are more than 60 days delinquent in their special assessment? \_\_\_\_\_
40. Deferred Maintenance  Yes  No
41. Does the association have any reports regarding deferred maintenance?  Yes  No
42. If yes, what is the purpose for the special assessment \_\_\_\_\_
43. Have there been any inspections done within the past three (3) years?  Yes  No
44. If yes, please provide a copy of the inspection report
45. Has the project failed to pass state or other jurisdictional inspections or certifications  Yes  No

- 46. Related to structural soundness, safety, or habitability?  Yes  No
- 47. Is the project subject to evacuation orders  Yes  No
- 48. Does the project have material deficiencies that would result in critical elements or system failures within one (1) year?  Yes  No
- 49. If yes, what elements are impacted? \_\_\_\_\_
- 50. Is there mold, water intrusion, or damaging leaks that have not been repaired?  Yes  No
- 51. If yes, please explain \_\_\_\_\_
- 52. Is there any advanced physical deterioration?  Yes  No
- 53. If yes, what elements are impacted? \_\_\_\_\_
- 54. Are there any unfunded repairs costing more than \$10,000 per unit that should be repaired within the next twelve (12) months?  Yes  No
- 55. If yes, please explain \_\_\_\_\_

**1. SOURCE OF INFORMATION: Acceptable sources include an officer of the condominium association or a qualified employee of the association’s management company.**

<p>2. _____</p> <p>3. Source of Information</p> <p>4. _____</p> <p>5. Title</p> <p>6. _____</p> <p>7. Phone Number</p> <p>8. _____</p> <p>9. Website address of Association</p>	<p>_____</p> <p>Signature</p> <p>_____</p> <p>Date</p> <p>_____</p> <p>email address</p>
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