



CONDO REQUIREMENTS NEW CONSTRUCTION AND GUT REHAB CONVERSIONS

To qualify, a project must meet the following criteria:

1. All new construction and new conversion projects located in Florida must be submitted to Fannie Mae for Condominium approval known as PERS. In addition, all new conversion projects that are non gut rehabs also require PERS approval.
2. In order to be considered an Established project (FNMA Type S/FHLMC EST), a project must be complete with no additional phasing, control of the project must be turned over to unit owners from Developer and 90% of the units must be conveyed (closed). All other projects will 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 10% of the units. If a project consists of 2-4 units, no one can own more than 1 unit, 5-20 unit projects no more than 2 units.
7. The fidelity, hazard, 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 25% of the total square footage of the project can be used for nonresidential purposes.
11. The units in the project must be owned fee simple or if in a leasehold, the lease and any amendments to the lease must be provided.
12. All facilities and amenities related to the project must be owned by the unit owners or the homeowners association and not subject to a lease.

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 there of.

Lender Name: _____ Loan Number: _____

Submitted by: _____ Phone #: _____ Email: _____

_____ Condominium Questionnaire (attached)	_____ Appraisal of subject unit
_____ Current annual budget	_____ Balance sheet within the past 90 days
_____ First 4 pages of Declaration of Condominium Sometimes known as Master Deed or CCR's	_____ Insurance certificate for applicable types
_____ DU or LP Findings	

For New Construction or New Gut Rehab conversions only.

_____ Copy of Declaration of Condominium including Amendments and Bylaws	_____ Presale Form
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The address for overnights is: GMFS
7389 Florida Blvd, Suite 200A
Baton Rouge, La 70806

Email: gmfscondos@gmfslending.com

NEW CONDOMINIUM REVIEW FORM

PROJECT LEGAL NAME: _____

CITY AND STATE: _____

1. Does the project have any of the items listed below? Please mark all which apply.

☐ Hotel Operation

☐ Timeshares

☐ Under 30 day Rentals

☐ Mandatory Rental Pool

☐ Central Phones

☐ Maid Service

☐ Check-In Desk

☐ Continuing Care Retirement Community

☐ Manufactured Housing

☐ Houseboat

☐ Multi-Dwelling Unit (more than one unit on a deed and/or mortgage)

☐ Project is listed as an investment security with the SEC.

☐ Project contains non-incidental business operations (restaurant, spa, etc)

☐ Project is a common interest apartment or community apt.project.

2. Total No. of units in project

3. Total No. of units sold and closed.

4. Number of owner occupants

5. Number of investor units

6. Number of second home buyers

7. Largest number of units owned by a single person/entity

8. No. of units over 60 days delinquent and dollar amount of delinquency

/ \$

9. Is there any additional phasing or annexation?

Yes

No

10. Are units owned fee simple, not leasehold?

Yes

No

11. Are all units, common areas, and amenities completed?

12. Date Association turned over to unit owner control (Month/Year).

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13. Is the project a conversion?

Yes

No

If yes, is the project a Gut rehab with renovation of a property down to the shell replacement of all HVAC & electrical components? Year converted

14. Are there any units in the project that consists of less the 400 square feet in space?

Yes

No

15. Does the project contain any governmentally regulated low or moderate income Housing Units (also known as inclusionary Zoning)?

Yes

No

16. Is the project subject to a recreation/land lease?

Yes

No

17. Does the project have a mandatory club membership?

Yes

No

18. Are there any special assessments ongoing or planned?

Yes

No

If yes, provide full details of the assessment(s) on separate sheet.

19. Is the association subject to any law suits?

Yes

No

If yes, provide full details of the law suit(s) on separate sheet.

20. Does the project contain any commercial space?

Yes

No

If yes, what percentage of the project is commercial? %

21. Has the Homeowners' Association or Developer retained any right of first refusal?

Yes

No

If yes, are the mortgagees excluded for this right of first refusal?

Yes

No

22. Is the project located in a Master Association?

Yes

No

If yes, what is the legal entity of the Master Association? Condominium PUD

23. Does the Homeowners Association or Management Company maintain separate accounts for operating expense and reserve funds?

Yes

No

24. Are the monthly account statements being sent directly to the HOA?

Yes

No

25. Does the property management company have the authority to draw checks against or transfer from the reserve account?

Yes

No

26. Are two or more members of the Board of Directors required to sign checks drafted against the reserve account?

Yes

No

27. What is the balance in the segregated reserve account?

\$

28. Please provide the HOA's IRS Tax Identification Number (TIN).

29. Insurance Contact: Agent Name: Phone:

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

Source of Information

Signature

Title

Date

Phone Number

email address

Website address of Association

PROJECT PRESALE FORM

(For New Projects ONLY)

Date: _____

Project Name: _____

Total Number of Planned Units in Project: _____

Source of Information: _____

Telephone: _____ email: _____

COMPLETED UNITS				
Phase Number & Building Number	# of Units	Units Closed or Under Contract	Owner Occupied or Second Home	Investor

BUILDINGS UNDER CONSTRUCTION			
# of units under construction	Total Units Under Contract	Owner Occupied or Second Home	Investor

UNBUILT BUILDINGS			
# of Unbuilt Units	Total Units Under Contract	Owner Occupied or Second Home	Investor

RECREATIONAL FACILITIES AND AMENITIES		
Description	If not complete Anticipated Completion Date	

PLEASE INCLUDE SITE PLAN WITH BUILDING DESIGNATIONS.

What amount of monies is being funded for a working capital contribution upon each closing? \$_____