

For all mortgages secured by a condominium unit in a condominium project, Sellers must meet the requirements of the *Freddie Mac Single-Family Seller/Service Guide* (Guide) Chapter 5701 and the Seller's other purchase documents. Use this reference as a summary of Guide Chapter 5701 requirements. You should also be familiar with Freddie Mac's [Glossary](#) definitions.

Freddie Mac-owned No Cash-out Refinances

For Freddie Mac-owned "no cash-out" refinance condominium unit mortgages, the Seller does not need to determine compliance with the condominium project review and eligibility requirements if the condominium unit mortgage being refinanced is currently owned by Freddie Mac in whole or in part or securitized by Freddie Mac and the requirements in Guide Section 5701.2(c) are met.

Condo Project Advisor[®]

Condo Project Advisor[®] is available by request and accessible through the Freddie Mac Loan Advisor[®] portal. Condo Project Advisor allows Sellers to enter a zip code, select condo project name and enter the street name to obtain Project Assessment Request (PAR) findings about that project's compliance with the project review requirements assessed by Condo Project Advisor. A PAR finding consists of the status Condo Project Advisor assigns to the project and related feedback messaging saving you time on your condominium project reviews. Condo Project Advisor also allows you to request and track unit-level waivers for established condominium projects that need special consideration. Sellers enter required data elements and upload necessary documentation for each requested waiver submission. Each Project Waiver Request (PWR) is assessed, and if approved, that determination is provided in the Condo Project Advisor Feedback Certificate. Access our [Condo Project Advisor](#) webpage to learn more.

UPDATE: Freddie Mac Guide Bulletin [2023-15](#)

Effective for Mortgages and Cooperative Share Loans with Application Dates on or after September 18, 2023, but Sellers may implement immediately

Freddie Mac is updating its project review requirements to address projects in need of critical repairs and projects that have material deficiencies (such as significant deferred maintenance) or special assessments. These requirements apply to all mortgages secured by units in Condominium Projects and all Cooperative share loans secured by Cooperative Interests in Cooperative Projects with five or more attached units, regardless of the project review type. The requirements also apply to mortgages or Cooperative Share Loans eligible to be delivered as Exempt from Review. Refer to Guide Sections [5701.1 through 5701.7](#), [5705.1](#), [5705.3](#), [5705.4](#), [5705.7](#) and [Glossary](#).

Note: These Guide changes will supersede and replace the guidance and requirements relating to Condominium and Cooperative Projects in Bulletin [2021-38](#). If a Seller has an unexpired project review completed prior to September 18, 2023 they must still confirm compliance with these Guide requirements for applications taken on or after that date.

Note: A vertical revision bar " | " is used in the margin of this quick reference to highlight **new** requirements and significant **changes**.



Topic	Requirements
<p>Condominium Project Review and General Condominium Project Eligibility Requirements</p> <p>Guide Section 5701.2</p>	<p style="text-align: center;">Condominium Project Review Requirements</p> <p>The Seller must:</p> <ul style="list-style-type: none">▪ Have policies and procedures in place and take appropriate steps to ensure that the condominium unit, mortgage and project comply with applicable requirements▪ Review and determine that a condominium project complies with the following review types and expiration prior to the note date:<ul style="list-style-type: none">- Streamlined reviews – within one year (Guide Section 5701.4)- Established condominium projects – within one year (Guide Section 5701.5)- New condominium projects – within 180 days (Guide Section 5701.6)▪ Meet the following timelines:<ul style="list-style-type: none">- No later than 120 days after the note date, the Seller must deliver the mortgage. If delivered after 120 days, the Seller must update the review and determination of the project’s eligibility.▪ Retain all documentation related to the project’s review and must provide the project information and documentation to Freddie Mac upon request.▪ Except for condominium unit mortgages delivered in accordance with the requirements in Guide Section 5701.7, the Seller must ensure that:<ul style="list-style-type: none">- The condominium project is not a Condominium Hotel or similar type of transient housing, a houseboat project, a timeshare project, or a project with segmented ownership (all as described in Section 5701.3).- The project complies with the general condominium project eligibility requirements set forth in Guide Section 5701.2(b), and- The mortgage, unit and project comply with project eligibility requirements for one of the following project review types:<ul style="list-style-type: none">✓ Streamlined reviews (Guide Section 5701.4)✓ Established condominium projects (Guide Section 5701.5)✓ New condominium projects (Guide Section 5701.6)✓ Reciprocal project reviews (Guide Section 5701.9)▪ Ensure that the condominium project remains in full compliance with the applicable state law, the requirements of the jurisdiction in which the condominium project is located, and with all other applicable laws and regulations governing the condominium project. <p>Note: Freddie Mac reserves the right to conduct its own review of the project.</p>



Topic	Requirements
<p>Condominium Project Review and General Condominium Project Eligibility Requirements</p> <p>Guide Section 5701.2</p>	<p style="text-align: center;">General Condominium Project Eligibility Requirements</p> <p>The condominium project must comply with the following general eligibility requirements:</p> <ul style="list-style-type: none"> ▪ Ineligible project - must not be an ineligible project (See Ineligible Projects section below) Note: If the condominium unit mortgage to be delivered complies with the requirements in Section 5701.9(a), then compliance with Section 5701.3 is not required. <ul style="list-style-type: none"> - Project insurance - project complies with the applicable insurance requirements of Guide Chapter 8202 ▪ Title insurance - unit must be covered by a title insurance policy that complies with the requirements of Guide Chapter 4702. ▪ Leasehold estate - if applicable, the lease must comply with the requirements of Guide Chapter 5704. ▪ Must have policies and procedures in place and must take appropriate steps to ensure that the condominium unit, the condominium unit mortgage and the condominium project comply with the applicable requirements. ▪ Must retain all documentation related to the review of the condominium project. Upon request, the Seller must provide the project information and documentation to Freddie Mac.
<p>Ineligible Projects</p> <p>Guide Section 5701.3</p>	<p style="text-align: center;">Ineligible Projects</p> <p>Except condominium unit mortgages delivered in accordance with the requirements in Section 5701.7, mortgages secured by units in any of the following types of projects are not eligible for sale to Freddie Mac:</p> <ul style="list-style-type: none"> ▪ Projects in which the unit owners do not have an undivided ownership interest or leasehold interest in the land on which the project is located. ▪ Condominium hotel or similar type of transient housing - any project that is a condominium hotel or similar type of transient housing, unless the project conversion was a gut rehabilitation and the resulting condominium units no longer have the characteristics of a hotel or similar type of transient housing. See Guide Section 5701.3(b) for additional details. ▪ Project with multi-dwelling units - owner holds a single deed evidencing ownership of more than one dwelling unit. ▪ Project with excessive commercial or non-residential space - more than 35% of the total above and below -grade square footage of the building in which the project is located is commercial, or non-residential space. ▪ Tenancy-in-common apartment project - owned by several owners as tenants-in-common or by a homeowners association (HOA). Individuals have an undivided interest in the residential apartment building (including the units) and land on which the building is located and may or may not have the right of exclusive occupancy of a specific apartment unit in the building. ▪ Timeshare project or project with segmented ownership - arrangement under which purchaser receives an interest in real estate and the right to use a unit or amenities, or both, for a specified period and on a recurring basis such as the 15th week of the year, or ownership that is for a limited period such as for the subsequent five years. ▪ Houseboat project - comprised of boats designed or modified to be used primarily as dwelling units. ▪ Project in which the unit owners do not possess sole ownership of the common elements – ineligibility requires both of the following characteristics to exist: unit owners in a



Topic	Requirements						
<p>Ineligible Projects (cont'd)</p> <p>Guide Section 5701.3</p>	<p>Condominium Project must have the sole ownership in and the right to the use of common elements, including all buildings, roads, parking, facilities and amenities. See Guide Section 5701.3(h) for additional details.</p> <ul style="list-style-type: none"> Project in litigation – the HOA is named as a party to pending litigation or the Seller discovers that the HOA is a party to an alternative dispute resolution (ADR) proceeding, such as arbitration or mediation, or the project sponsor or developer is named as a party to pending litigation, or the Seller discovers that the project sponsor or developer is a party in an ADR proceeding and, in either case, the dispute relates to the safety, structural soundness, functional use or habitability of the project. For exceptions see Guide Section 5701.3(i). Project with excessive single investor concentration - project in which an individual or single entity, such as an investor group, partnership or corporation, owns more than the following total number of units in the project: <table border="1" data-bbox="358 680 1156 875"> <thead> <tr> <th data-bbox="358 680 750 789">Number of units in project</th> <th data-bbox="750 680 1156 789">Total number of units owned by individual or single entity</th> </tr> </thead> <tbody> <tr> <td data-bbox="358 789 750 833">Five to 20</td> <td data-bbox="750 789 1156 833">Two</td> </tr> <tr> <td data-bbox="358 833 750 875">21 or more</td> <td data-bbox="750 833 1156 875">25%</td> </tr> </tbody> </table> <p>Refer to Guide Section 5701.3(j)(1)(2) for exceptions with the single investor concentration and exclusions from the single investor concentration calculation.</p> <ul style="list-style-type: none"> Continuing Care Retirement Community (CCRC) - a residential project designed to meet the health and housing needs of seniors as their needs change over time. CCRCs may also be known as life-care facilities and are distinguished from age-restricted communities. Manufactured homes - mortgages secured by manufactured homes except when they comply with the requirements in Section 5701.5, or they have an “Approved by Fannie Mae” status designation in Fannie Mae’s Condo Project Manager™ (Section 5701.9(a)). Projects with mandatory dues or similar membership fees for use of amenities such as clubhouses or recreational facilities – projects with mandatory dues or membership fees, including initiation or joining fees, which allow for the use of amenities such as clubhouses or recreational facilities. 	Number of units in project	Total number of units owned by individual or single entity	Five to 20	Two	21 or more	25%
Number of units in project	Total number of units owned by individual or single entity						
Five to 20	Two						
21 or more	25%						



Topic	Requirements																		
Requirements by Project Review Type	<p data-bbox="505 310 1373 342" style="text-align: center;">Streamlined Reviews for Established Projects (Guide Section 5701.4)</p> <p data-bbox="342 365 1498 457">In addition to the project review and eligibility requirements in Guide Section 5701.2, condominium unit mortgages must comply with all the following requirements to be eligible for the streamlined project review type:</p> <ul data-bbox="342 474 1455 653" style="list-style-type: none"> ▪ Project Type - Unit is located in an established condominium project (refer to definition in Guide Section 5701.5) ▪ No manufactured homes in the condominium project - There must not be any manufactured homes in the condominium project ▪ Maximum LTV/TLTV/HTLTV ratios - mortgage does not exceed the following maximum LTV/TLTV/HTLTV ratios: <table border="1" data-bbox="401 699 1510 1066" style="margin-left: 40px;"> <thead> <tr> <th colspan="3" data-bbox="401 699 1510 747">Streamlined review for Condominium Units in Established Condominium Projects</th> </tr> <tr> <th colspan="3" data-bbox="401 747 1510 795">Maximum LTV/TLTV/HTLTV</th> </tr> <tr> <th data-bbox="401 795 664 871">Occupancy</th> <th data-bbox="664 795 1045 871">Projects not located in Florida</th> <th data-bbox="1045 795 1510 871">Projects located in Florida</th> </tr> </thead> <tbody> <tr> <td data-bbox="401 871 664 947">Primary Residence</td> <td data-bbox="664 871 1045 947" style="text-align: center;">90%</td> <td data-bbox="1045 871 1510 947" style="text-align: center;">75/90/90%</td> </tr> <tr> <td data-bbox="401 947 664 995">Second Home</td> <td data-bbox="664 947 1045 995" style="text-align: center;">75%</td> <td data-bbox="1045 947 1510 995" style="text-align: center;">70/75/75%</td> </tr> <tr> <td data-bbox="401 995 664 1066">Investment Property</td> <td data-bbox="664 995 1045 1066" style="text-align: center;">75%</td> <td data-bbox="1045 995 1510 1066" style="text-align: center;">70/75/75%</td> </tr> </tbody> </table> <p data-bbox="342 1100 1403 1131">Notes: Super conforming condominium unit mortgages are eligible for streamlined review.</p> <p data-bbox="342 1161 1455 1253">If streamlined review requirements can be met, the Seller is not required to comply with any of the requirements for any of the other project review types in Guide Sections 5701.5, 5701.6, 5701.7 and 5701.9.</p>	Streamlined review for Condominium Units in Established Condominium Projects			Maximum LTV/TLTV/HTLTV			Occupancy	Projects not located in Florida	Projects located in Florida	Primary Residence	90%	75/90/90%	Second Home	75%	70/75/75%	Investment Property	75%	70/75/75%
Streamlined review for Condominium Units in Established Condominium Projects																			
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Topic	Requirements
Requirements by Project Review Type	<p data-bbox="459 300 1297 331" style="text-align: center;">Established Condominium Project Reviews (Guide Section 5701.5)</p> <p data-bbox="315 365 1487 457">In addition to the project review and eligibility requirements in Guide Section 5701.2, if the mortgage does not comply with the eligibility requirement for streamlined reviews in Guide Section 5701.4, the mortgage must comply with the following requirements:</p> <ul data-bbox="315 474 1443 1528" style="list-style-type: none"><li data-bbox="315 474 1354 533">▪ Project completion requirements - All units, common elements and amenities must be complete.<li data-bbox="315 537 1419 785">▪ Manufactured homes:<ul data-bbox="362 569 1419 785" style="list-style-type: none"><li data-bbox="362 569 1117 600">– Mortgage must be secured by a detached condominium unit<li data-bbox="362 604 873 636">– Meet the requirements in Chapter 5703<li data-bbox="362 640 954 672">– Must not be a single-wide manufactured home<li data-bbox="362 676 1419 728">– Condominium project’s unit owners must only have an undivided ownership interest in the land on which the project is located<li data-bbox="362 732 1386 785">– Condominium project must not have campgrounds or other facilities for transient or mobile units<li data-bbox="315 789 1419 877">▪ Note: For condominium projects that contain manufactured homes that do not comply with these requirements, they must have an “Approved by Fannie Mae” status designation in Fannie Mae’s Condo Project Manager™ (Section 5701.9(a)).<li data-bbox="315 882 1333 1003">▪ Owner-occupancy requirements:<ul data-bbox="362 913 1333 1003" style="list-style-type: none"><li data-bbox="362 913 1292 945">– Primary residences and second homes: no owner-occupancy requirements<li data-bbox="362 949 1333 1003">– Investment properties: at least 50% of the units in project occupied as primary residences or second homes<li data-bbox="315 1008 1443 1402">▪ Project budget – complies with the following:<ul data-bbox="362 1039 1443 1402" style="list-style-type: none"><li data-bbox="362 1039 919 1071">– Be consistent with the nature of the project.<li data-bbox="362 1075 1224 1106">– Appropriate assessments must be established to manage the project.<li data-bbox="362 1110 1378 1142">– Appropriate allocations for line items pertinent to the type and status of the project.<li data-bbox="362 1146 1024 1178">– Adequate funding for insurance deductible amounts.<li data-bbox="362 1182 1443 1283">– At least 10% of the budget provides funding for replacement reserves for capital expenditures, deferred maintenance based on the project’s age, estimated remaining life, and replacement cost of major common elements. See Guide Section 5701.5(d) for calculation details.<li data-bbox="362 1287 1419 1339">– The Seller may use a reserve study instead of calculating the replacement reserves of 10%, provided requirements in Guide Section 5701.5(e) are met.<li data-bbox="362 1344 1443 1402">– An HOA must not receive more than 10% of its budgeted income from renting or leasing commercial parking facilities.<li data-bbox="315 1407 1419 1472">▪ Delinquent assessments - no more than 15% of the total number of units in a project are 60 or more days delinquent on the payment of their HOA assessments.<li data-bbox="315 1476 1419 1528">▪ Requirements when a Seller relies on a project reserve study – reserve study must comply with all requirements in Guide Section 5701.5(e). <p data-bbox="315 1545 1382 1638">Note: If established condominium project review requirements can be met, the Seller is not required to comply with the requirements for any of the other project review types in Guide Sections 5701.4, 5701.6, 5701.7 and 5701.9.</p>



Topic	Requirements
Requirements by Project Review Type	<p data-bbox="344 281 1386 317" style="text-align: center;">New Condominium Project Reviews (Guide Section 5701.6) (continued)</p> <p data-bbox="344 363 1468 426">In addition to the project review and eligibility requirements in Guide Section 5701.2, mortgages secured by condominium units must comply with all the following requirements:</p> <ul data-bbox="393 432 1474 701" style="list-style-type: none"> - Project completion - subject legal phase and prior legal phases are substantially complete (all units in the subject building are complete subject to the selection of buyer preference items). - No manufactured homes - there are no manufactured homes in the new condominium project. - Owner-occupancy requirements - at least 50% of the total units in the project (or at least 50% of the sum of the subject legal phase and prior legal phases) must have been conveyed or must be under contract to occupants as their primary residences or second homes. <p data-bbox="344 711 1523 833">Note: For calculating owner-occupancy under Guide Section 5701.6, a single building can only have one legal phase regardless of whether the project is comprised solely of that single building or multiple buildings. Legal phases are defined by the project documents. Construction phases developed for the convenience of the developer are not necessarily legal phases.</p> <ul data-bbox="393 842 1474 1682" style="list-style-type: none"> - Project budget - HOA assessments must begin once the developer has ceased to pay operating expenses attributable to the project whether or not all units are sold. Developer is responsible for the assessment attributable to the unsold units. Budget is consistent with the nature of the project and appropriate assessment must be established to manage the project: - There are appropriate allocations for line items pertinent to the type and status of the project. - If the project was recently converted, the developer must have initially funded a working capital fund, through contributions made by developer and/or purchasers of the condominium units, in an amount consistent with the estimated remaining life of the common elements. - There must be adequate funding for insurance deductible amounts. - At least 10% of the operating budget provides funding for replacement reserves, for capital expenditures and deferred maintenance based on the project's age, estimated remaining life, and replacement cost of major common elements. See Guide Section 5701.6 for calculation details. - If the budget does not provide a replacement reserve of at least 10%, a Seller may rely on either a reserve study or contributions to a working capital fund. See the conditions in Guide Section 5701.6(l) and (m) for further details. - An HOA must not receive more than 10% of its budgeted income from renting or leasing commercial parking facilities. - Delinquent assessments - no more than 15% of the total number of units in a project are 60 or more days delinquent on the payment of their HOA assessments. - Compliance with laws - project has been created and exists in full compliance with applicable state law, the requirements of the jurisdiction in which the project is located and all other applicable laws and regulations governing the creation of the project.



Topic	Requirements
Requirements by Project Review Type (continued)	<p data-bbox="461 331 1357 365">New Condominium Project Reviews (Guide Section 5701.6) (continued)</p> <ul data-bbox="347 411 1471 1633" style="list-style-type: none"><li data-bbox="347 411 1471 611">▪ Limitations on ability to sell/right of first refusal - right of first refusal in the project documents does not adversely impact the right of mortgagee or its assignee to:<ul data-bbox="396 489 1349 611" style="list-style-type: none"><li data-bbox="396 489 1349 520">– Foreclose or take title to a unit pursuant to the remedies in the mortgage, or<li data-bbox="396 520 1349 579">– Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor, or<li data-bbox="396 579 1349 611">– Sell or lease a unit acquired by the mortgagee or its assignee <li data-bbox="347 657 1471 1129">▪ Conversions - if the project is a conversion created by conversion of the building(s), the project must meet the following for the Seller’s review and determination of project eligibility:<ul data-bbox="396 735 1471 1129" style="list-style-type: none"><li data-bbox="396 735 1471 976">– For a conversion involving a non-gut rehabilitation of a prior use of the building that was legally created within the past three years, the engineer’s report (or functionally equivalent documentation for jurisdictions not requiring an engineer’s report) must state that the project is structurally sound, the condition and remaining useful life of the major project components are sufficient to meet the residential needs of the project, and that there is no evidence that any of these conditions have not been met. Major components include the roof, elevators and mechanical systems such as HVAC, plumbing and electricity.<li data-bbox="396 976 1471 1035">– All rehabilitation work involved in the conversion (non-gut rehabilitation and gut rehabilitation) must be completed in a professional manner.<li data-bbox="396 1035 1471 1129">– A review of the engineer’s report (or functional equivalent documentation) is not required for conversions involving a gut-rehabilitation, and a non-gut rehabilitation if more than three years have elapsed since the legal creation of the project. <li data-bbox="347 1146 1471 1633">▪ Mortgagee consent:<ul data-bbox="396 1178 1471 1633" style="list-style-type: none"><li data-bbox="396 1178 1471 1297">– Project documents must state, or applicable state law must provide, that amendments of a material adverse nature to first-lien mortgagees be agreed to by mortgagees that represent at least 51% of the unit votes (one vote for each first-lien mortgage owned) subject to first-lien mortgages.<li data-bbox="396 1314 1471 1465">– Project documents must state, or applicable state law must provide, that any action to terminate the legal status of the project or to use insurance proceeds for any purpose other than to rebuild, must be agreed to by first-lien mortgagees that represent at least 51% of the unit votes (one vote for each first-lien mortgage owned) that are subject to first-lien mortgages.<li data-bbox="396 1482 1471 1633">– The project documents may allow implied approval to be assumed when the then current mortgagee of record fails to submit a response to any written proposal for an amendment within 60 days after the then current mortgagee of record actually receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a “return receipt” requested.



Topic	Requirements
Requirements by Project Review Type (continued)	<p data-bbox="493 327 1390 359" style="text-align: center;">New Condominium Project Reviews (Guide Section 5701.6) (continued)</p> <ul style="list-style-type: none"><li data-bbox="347 394 1479 684">▪ Rights of condominium mortgagees and guarantors - project documents, applicable state law, or any applicable insurance policy must provide the mortgagee and guarantor of the mortgage the right to timely written notice of:<ul style="list-style-type: none"><li data-bbox="396 501 1377 562">– Any condemnation or casualty loss affecting a material portion of project, or unit securing the mortgage.<li data-bbox="396 564 1474 594">– Any 60-day delinquency in payment of assessments or charges owed by the unit owner.<li data-bbox="396 596 1427 657">– A lapse, cancellation or material reduction of any insurance policy maintained by the HOA.<li data-bbox="396 659 1455 688">– Any proposed action requiring the consent of a specified percentage of the mortgages.<li data-bbox="347 701 1479 821">▪ First mortgagee's rights confirmed - there are no provisions in the project documents that give a unit owner or other party priority over any rights of the first mortgagee in the case of payment to the unit owner of proceeds from termination, or insurance proceeds, or condemnation awards for losses to or a taking of units and/or common elements.<li data-bbox="347 823 1479 1415">▪ Requirements when a Seller relies on a project reserve study for new condominium projects – comply with the following requirements. The reserve study:<ul style="list-style-type: none"><li data-bbox="396 900 1468 989">– Generally, must include an inventory of major components of the project, financial analysis and evaluation of current reserve fund adequacy and proposed annual reserve funding plan.<li data-bbox="396 991 1403 1079">– Financial analysis must validate the project has appropriately allocated the recommended reserve funds for sufficient protection comparable to Freddie Mac's standard budget requirements for replacement reserves.<li data-bbox="396 1081 1446 1142">– Funding plan detailing total costs identified for replacement components must meet or exceed the study's recommendation and conclusion.<li data-bbox="396 1144 1192 1173">– Must be dated within 36 months of determining project eligibility.<li data-bbox="396 1176 1422 1295">– Must be prepared by an independent expert skilled in performing studies such as a reserve study professional, construction engineer, certified public accountant or any professional with demonstrated experience and knowledge in completing reserve studies.<li data-bbox="396 1297 1330 1327">– Must meet or exceed requirements set forth in any applicable state statutes.<li data-bbox="396 1329 1386 1415">– Must comment favorably on the project's age, estimated remaining life, structural integrity and the replacement of major components. See Guide Section 5701.6(l) for further details.<li data-bbox="347 1428 1479 1688">▪ Requirements when a seller relies on contributions to a working capital fund for new condominium projects:<ul style="list-style-type: none"><li data-bbox="396 1505 1471 1596">– The project documents require the purchaser to pay a non-refundable and non-transferable assessment to a working capital fund established for periodic maintenance, repair and replacement of common elements.<li data-bbox="396 1598 1474 1659">– The assessment must be equal to a minimum of at least two months HOA fees, due and payable at closing.<li data-bbox="396 1661 899 1688">– The developer is in control of the HOA.



Topic	Requirements
Requirements by Project Review Type (continued)	New Condominium Project Reviews (Guide Section 5701.6) (continued)
	<ul style="list-style-type: none"> ▪ New condominium project sold with excessive Seller contributions – if a builder, developer or property seller offers financing or sale arrangements (such as rent-backs, payments of principal, interest, taxes and insurance) for condominium unit mortgages, these contributions must comply with requirements in Guide Section 5501.5. ▪ New condominium projects in Florida – mortgages secured by attached units are not eligible, except when the project have an “Approved by Fannie Mae” status designation in Fannie Mae’s Condo Project Manager™ (Section 5701.9(a) for additional information). <p>Note: If new condominium project review requirements can be met, the Seller is not required to comply with any of the other project review types in Guide Sections 5701.4, 5701.5, 5701.7 and 5701.9.</p>
	Exempt from Review (Guide Section 5701.7)
<p>In addition to the project review and eligibility requirements in Guide Sections 5701.2(b), mortgages secured by a condominium unit in a 2- to 4-unit condominium project or detached condominium unit, Freddie Mac owned ‘no cash-out’ refinance condominium unit mortgage, or a Refi PossibleSM Mortgage, must comply with the following applicable requirements:</p> <ul style="list-style-type: none"> ▪ 2- to 4-unit condominium projects – meet the Glossary definition of 2- to 4-unit condominium projects and must not include manufactured homes. ▪ Detached condominium units – meet the Glossary definition of detached condominium unit and must not include manufactured homes. ▪ Freddie Mac owned ‘no cash-out’ refinance condominium unit mortgages – if currently owned by Freddie Mac in whole or in part or securitized, the mortgage is exempt from project review provided the following are met: <ul style="list-style-type: none"> - Maximum LTV/TLTV/HTLTV ratio is 80%. - Condominium project is not a condominium hotel, houseboat project, timeshare project or project with segmented ownership (described in Guide Section 5701.3). - If available, proof of the ULDD Data Point Related Investor Loan Identifier of the existing condominium unit mortgage is provided in the mortgage file. - Delivery requirements in Guide Section 6302.16(b)(ii) are met. ▪ Refi Possible Mortgages: Mortgage is exempt from project review provided that the mortgage meets all applicable requirements in Chapter 4302; and the delivery requirements in Section 6302.46 are met. <p>Note: The Condominium Project must not be a Condominium Hotel or similar type of transient housing, houseboat project, timeshare project or project with segmented ownership. The Condominium Project must not include Manufactured Homes, unless the Condominium Unit Mortgage is a Refi Possible Mortgage.</p> <p>Note: Attached and semi-detached units within projects containing detached condominium units may not be delivered as Exempt from Review unless the attached or semi-detached units are within a 2- to 4-unit condominium project or meet the requirements for Freddie Mac-owned ‘no cash-out’ refinance condominium unit mortgages, or Refi Possible Mortgage. Note: If the Exempt from Review requirements in this Guide Section 5701.7 are met, the Seller is not to comply with the requirements for any of the other project review types in Guide Sections 5701.4, 5701.6, 5701.7 and 5701.9.</p>	



Topic	Requirements
Condominium Appraisal and Underwriting Requirements Guide Section 5701.8	Appraisal Requirements
	<p>In addition to applicable Guide Chapter 5601 appraisal requirements, the following requirements apply to units in condominium projects:</p> <ul style="list-style-type: none"> ▪ General appraisal requirements: Appraiser must report the project name, the assessments, including special assessments and the property rights for each comparable sale, and how it compares to the subject project. The appraiser must identify the common elements, including amenities available to the unit owners, comment on their condition and analyze how they compare with competing projects. <ul style="list-style-type: none"> – Comparable sales must be from condominium projects in the same market, be similar to the subject project and compete for the same purchasers. ▪ Comparable sales selection: Refer to Guide Section 5601.12(f) for specific requirements applicable to units in established condominium projects or in recently converted or new condominium projects. ▪ Additional appraisal requirements for detached condominium units: <ul style="list-style-type: none"> – The appraiser must use similar detached condominium unit comparable sales from the same project, or from the same market area. – Other types of 1-unit detached comparable sales may be used by the appraiser that are not located in a project only if the appraiser supports the use of such sales in the appraisal report and reflects any effect that the condominium form of ownership has on the market value, and marketability of the subject property. Each appraisal or inspection report must comply with the requirements of Guide Sections 5601.5, 5601.7, 5601.10 and 5601.12.
	Underwriting Considerations for Condominium Projects with Mixed Uses and Live-Work Condominium Units
<ul style="list-style-type: none"> ▪ Condominium projects with mixed uses - Freddie Mac will purchase eligible mortgages in projects with a combination of residential, commercial, industrial, office and/or institutional uses provided the mortgages comply with all applicable Freddie Mac requirements, including the requirements of Guide Sections 5701.2 and 5701.3(d). ▪ Condominium projects with live-work units - Freddie Mac will purchase eligible mortgages in projects with live-work units where: <ul style="list-style-type: none"> – The mortgage complies with all applicable Freddie Mac requirements, including the requirements of Guide Section 5701.2, and <p>The primary use of the live-work unit is residential, and the non-residential use of such unit is secondary.</p>	



Topic	Requirements
Condominium Appraisal and Underwriting Requirements Guide Section 5701.8	<p style="text-align: center;">Underwriting Considerations for Common Elements and Amenities</p> <p>The common elements, including amenities and limited common elements must be consistent with the nature of the project and similar to competing projects in the market area.</p>
	<p style="text-align: center;">Financing of Limited Common Elements</p> <ul style="list-style-type: none"> ▪ Limited common elements are portions of common elements reserved for use by one or more-unit owners but not all unit owners. May include, but are not limited to, balconies or patios serving a single unit, assigned parking spaces or storage bins. ▪ If purchased as part of the unit, they may be financed as part of the mortgage, and the cost of such limited common elements may be included when determining the sale price and LTV ratio. ▪ Only limited common elements may be financed along with the condominium unit. Facilities serving the condominium unit which are made available to the condominium unit by a permit, license or lease (other than in a leasehold condominium), must not be financed as part of a mortgage, and the cost of the use of such facilities may not be included when determining the sale price and LTV ratio.
Reciprocal Project Reviews Guide Section 5701.9	<p style="text-align: center;">Fannie Mae-approved and Certified Projects (Guide Section 5701.9(a))</p> <p>Freddie Mac will purchase mortgages secured by 1-unit residential dwellings in condominium projects that (i) Have an “Approved by Fannie Mae” status designation in Fannie Mae’s Condo Project Manager™ (CPM™) (Condo Project Manager and CPM are trademarks of Fannie Mae) or (ii) the Seller approved as a Fannie Mae “Full Review”, ensured all data entered into CPM are correct and received a “Certified by Lender” status designation in Fannie Mae’s legacy or updated CPM platform, if the mortgage complies with the requirements below as of the settlement date:</p> <ul style="list-style-type: none"> ▪ The project complies with all applicable Fannie Mae eligibility requirements and lender warranties. ▪ The approval or certification and any terms and conditions set forth in the approval or certification have not expired. ▪ The mortgage complies with any stated CPM delivery restrictions (e.g., occupancy type restriction, maximum LTV ratios, etc.). ▪ The Seller complies with Fannie Mae’s additional obligations for projects approved or certified through CPM. Pursuant to these obligations, if the Seller notified Fannie Mae’s CPM Management team of any new information that may impact a project’s eligibility (e.g., significant deferred maintenance, litigation, etc.), prior to selling the mortgage to Freddie Mac, the Seller must confirm that the project retained its approved status. ▪ The mortgage file contains documentation of Fannie Mae’s approval as evidenced by an “Approved by Fannie Mae” status designation (e.g., a copy of the appropriate CPM screen showing that the condominium project has an “Approved by Fannie Mae” tatus designation or documentation of the Seller’s project approval as a Fannie Mae “Full Review” with a “Certified by Lender” status designation from Fannie Mae’s legacy CPM (certification exported from Fannie Mae Connect) or Fannie Mae’s updated CPM platform (certification printed from the updated CPM platform).



Topic	Requirements
Reciprocal Project Reviews (continued) Guide Section 5701.9	Fannie Mae-approved and Certified Projects (Guide Section 5701.9(a)) (continued)
	<ul style="list-style-type: none"> ▪ The Seller warrants that the condominium project complies with the general project eligibility requirements (see Guide Section 5701.2(b)). As required in Section 5701.2(b)(6), the Seller must retain, and provide upon request documentation to support its analysis that the condominium project meets Fannie Mae’s “Full Review” requirements when the Seller received a “Certified by Lender” status designation in Fannie Mae’s legacy or updated CPM platform. ▪ For mortgages secured by attached condominium units in established condominium projects in Florida with a “Certified by Lender” status designation in CPM. The Seller also warrants that: <ul style="list-style-type: none"> – The LTV/TLTV/HTLTV is 75/90/90% or less for a primary residence – The LTV/TLTV/HTLTV is 70/75/75% or less for a second home or an Investment Property ▪ For mortgages secured by attached units in new condominium projects in Florida, they are only eligible for sale to Freddie Mac if the project has an “Approved by Fannie Mae” status designation in CPM. ▪ Mortgages secured by units in projects comprised of manufactured homes are only eligible for sale to Freddie Mac if the project has an “Approved by Fannie Mae” status designation in CPM (Section 5701.5(f)). <p>Note: If reciprocal project review requirements can be met, the Seller is not required to comply with the requirements for any of the other project review types in Guide Sections 5701.4, 5701.5, 5701.6, and 5701.7.</p>
	FHA- Approved Project review for Condominiums (Guide Section 5701.9(b))
<p>Freddie Mac will purchase mortgages secured by a 1-unit residential dwelling in a condominium projects that:</p> <ul style="list-style-type: none"> • Appears on the list of project-approved by FHA, either by the FHA HUD Review and Approval Process (HRAP) or the FHA Direct Endorsement Lender Review and Approval Process (DELRAP), provided that the mortgage is an FHA mortgage, VA mortgage, Section 502 Guaranteed Rural Housing (GRH) mortgage, or U.S. Department of Housing and Urban Development (HUD) Guaranteed Section 184 Native American Mortgage that complies with the applicable Guide requirements, or • Appears on the list of projects approved by FHA by the FHA HUD Review and Approval Process (HRAP) only, provided that the mortgage is a conventional mortgage and: <ul style="list-style-type: none"> - The condominium project must meet the definition of an established condominium project - The condominium project is not an ineligible project Guide Section 5701.3 - All general project eligibility requirements in Guide Section 5701.2(b) must be met, and - The mortgage must comply with all other applicable requirements of the Guide. 	



Topic	Requirements
	<p>FHA-Approved Project Review for Condominiums (Cont'd)</p> <p>When the Seller sells Freddie Mac, a mortgage secured by a unit in a project that meets the requirements above, the Seller warrants all of the following as of the settlement date:</p> <ul style="list-style-type: none">▪ The project is in the "approved" status, complies with any FHA-approval conditions noted on the FHA web site, the approval has not yet expired and has not been rescinded or modified in any way.▪ The mortgage file contains documentation of FHA's approved status (for example, a copy of the appropriate web page showing that the project is approved, and that the approval is current).▪ The Seller is not aware of any circumstances that would make the project ineligible for approval. <p>Note: If reciprocal project review requirements can be met, the Seller is not required to comply with the requirements for any of the other project review types in Guide Sections 5701.4, 5701.5, 5701.6, and 5701.7.</p>

For delivery information, please refer to Guide Section 5701.12.

This information is not a replacement or substitute for the requirements in the Freddie Mac *Single-Family Seller/Servicer Guide* and your other Purchase Documents.

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