

Freddie Mac is committed to providing clients with competitive solutions and options for mortgages secured by condominium units. In response to feedback from our clients, Selling Bulletin 2019-11 announced revisions to our condominium requirements to expand eligibility, create efficiency and adapt to industry standards.

To help you better understand the changes announced, we're providing the highlights below. For complete details please review Guide Bulletin 2019-11.

Topic		Description
Ineligible condominium projects	Projects in litigation	Expanding types of eligible minor litigation to include instances where the estimated or known amount is not expected to exceed 10% of the condominium project's funded reserves, provided this does not violate the applicable jurisdiction's laws and regulations.
	Single investor concentration	Excluding units controlled by non-profits for affordable housing, in affordable housing programs or retained by higher-education institutions for workforce housing from the single investor concentration calculation.
Condominium projects with commercial parking facilities	Calculation of excessive commercial or non-residential space	Excluding commercial parking facilities from the calculation of commercial or non-residential space. In conjunction with this change, we are adding a requirement that for established and new condo projects review types, the HOA must not receive more than 10% of its budgeted income from the rental or leasing of commercial parking facilities.
	Additional project budget requirement for established and new condo projects review types	This change is effective for mortgages with settlement dates on or after September 5, 2019. Sellers may implement the change to the calculation earlier if they are operationally able to do so, provided that they also implement the project budget requirement regarding income from commercial parking facilities at the same time.
Condominium project reviews	Streamlined project review type	Increasing the maximum total loan-to-value ratio and Home Equity Line of Credit TLTV (HTLTV) ratio for mortgages secured by condominium units in established condominium projects in Florida to be eligible for streamlined project review.
	Reciprocal review – FHA-approved project review for condominiums	Permitting delivery of conventional mortgages secured by units in established condominium projects approved by FHA's HUD Review and Approval Process (HRAP).

This document highlights certain changes announced in Guide Bulletin 2019-11 and is not a replacement or substitute for the information found in the *Freddie Mac Single-Family Seller/Servicer Guide*, a Seller/Servicer's Master Agreement or other Pricing Identifier Terms.