

Fannie Mae Condo – Full Review

Fannie Mae requires a written review of the condo association's project, financial, ownership, and insurance information through the Fannie Mae Form 1076 five-page *Condominium Project Questionnaire – Full Form*.

Below is a list of the most common requirements that may cause a Fannie Mae & Freddie Mac *Full Condo Project Review* to be denied:

- The current year approved budget must show that 10% of the operating expenses are to be allocated to a reserve account.
- A reserve study in lieu of 10% reserves allocated from the current year budget may be considered if prepared within the past 24 months by an independent 3rd party with expertise in condominium project reserves.
- No more than 15% of the unit owners may be more than 60 days delinquent on their monthly HOA dues or special assessments.
- No one person or entity can own more than 20% of the total units.
 - Small 1-4 unit condo projects are eligible as long as no individual owns more than 1 unit.
 - 5-20 unit condo projects are eligible as long as no individual owns more than 2 units.
- Commercial space can't exceed 35% of the total project.
- Litigation against the developer or contractor that is named as a party that relates to the safety, structural soundness, or habitability is not allowed.
 - Pending litigation "*concerning localized damage to a unit in the project that does not impact the overall safety, structural soundness, habitability, or functional use of the project*" is acceptable
 - Pending litigation when the amount of the claim is known is acceptable.
- For **investment properties only**: no more than 51% of the units can be investor-owned.