

# Condo Project Review & Exception Request



Submit the completed form & supporting documentation to your NQMF AE / SA to request a Condo Review and/or Condo Exception Request.  
Note the NQMF Max Concentration in a Non-warrantable Condo or Condotel is 20% of the units

Loan Information *complete all fields					
NQMF Loan#:		NQMF AE Name:		Request Date:	
Borrower Name:		Requestor Name:		TPO Name:	
Project Name & Unit Address:					
Loan Program:		Doc Type:		Loan Amt:	
Channel:					
Purpose:	Occupancy:	LTV:	FICO:	DTI/DSCR:	
Prop Type:	# of Units:	Rural:	State:	Citizenship:	

Condo Review: Required Documentation * include all required items listed below to receive an accurate decision	
Non-Warrantable or Warrantable Limited Review: HOA Questionnaire & Master Insurance Policy	
Warrantable Full Review (Established) <i>also include:</i> Budget - Current Fiscal Year & Engineer/Inspection Report(s) ≤ 3 yrs old *see next page for additional guidance	
New Project <i>also include :</i> Declaration of Condo, Bylaws, Rules & Regs, Articles of Incorporation, Public Offering/Prospectus	
Condo Conversion, Non-Guts Rehab converted in the last year <i>must include:</i> Engineer's Report, Confirmation of all recommended repairs, Reserve Study, Budget reflecting that all recommendations are being followed.	

Exception Requests: sections below *only if requesting a guideline exception*. Refer to page 2 of this document for required documentation

Exception Request Compensating Factors: select a minimum of 2 factors below; ensure to provide supporting documentation as applicable			
3 months reserves greater than the program requirement	6 months reserves greater than program requirement	Borrower Contribution exceeds program requirement by >=5%	FICO 20+ points greater than program requirement
DTI > 10% below program requirement or DSCR > 1.15	High Discretionary Income (ex. \$3,000)	5 years in Current Job <i>*not applicable for DSCR Loans*</i>	VOR/VOM 0x30x24 (checks for private)
LTV is 10% below the maximum per the matrix	Other (please explain):		

Exception Request: Define the nature of the request and be clear & concise when providing details *refer to pg. 2 of this form for additional documentation requirements based on the type of exception being requested	
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Condo Compensating Factors – To be Completed by NQMF Condo Desk Only

Exception Decision – To be Completed by NQMF Exception Desk Only				
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Approved	Conditionally Approved	Denied	Additional Information Required	No Exception Needed
Conditions			Pricing Adjustment:	
			Max DTI / Min DSCR:	
			Max LTV:	
			Guides Used:	

Reviewer Comments		
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Reviewer Name:	Date	Signature
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# Condo Exception: Required Supporting Documentation



Review the requirements below and submit supporting documentation based on the nature of the exception request. Ensure to provide comprehensive information and documentation to expedite the review and to receive an accurate decision.

Note the items detailed below are minimum requirements, and additional conditions may apply

Engineer's Reports – Property Inspection Reports – Reserve Study/SIRS – Building Safety – Deferred Maintenance – Building Recertification – Local Law Mandated Repairs – State Regulatory Requirements
<ul style="list-style-type: none"><li>• Engineer's report or inspection completed within the last 3 years or any report related to on-going repairs</li><li>• Engineer's LOX indicating whether the project is safe for occupancy while repairs are on-going</li><li>• Contractor's bid, with cost estimate and description of proposed repair methods</li><li>• Detailed Status of Repairs Letter, completed by Engineer, Contractor or HOA Management Company, indicating the following:<ul style="list-style-type: none"><li>◦ All repairs completed to date</li><li>◦ All outstanding / not yet completed repairs; confirm whether any outstanding repairs are structural or safety related</li><li>◦ Estimated time for completion of repairs</li></ul></li></ul>
Litigation
<ul style="list-style-type: none"><li>• Attorney Disclosure Letter, dated within 90 days, to confirm Insurance coverage &amp; status of claim for litigation &amp; damages (if not covered by insurance, provide HOA balance sheet)</li><li>• Litigation complaint, court filed copy</li><li>• Litigation related to repairs (except Construction Defect claims); HOA Management or Attorney must provide:<ul style="list-style-type: none"><li>◦ LOX indicating status of repairs, list of completed and incomplete items</li><li>◦ Estimated cost of repairs &amp; Estimated time for completion</li></ul></li><li>• Construction Defect Litigation<ul style="list-style-type: none"><li>◦ List of defects claimed</li><li>◦ Engineer's inspection report conducted on behalf of the HOA</li><li>◦ Contractor's Bid for repairs with estimate</li><li>◦ LOX from engineer or attorney, confirming whether the defects affect safety or structural soundness</li></ul></li></ul>
Single Entity Concentration
<ul style="list-style-type: none"><li>• HOA LOX indicating the following details<ul style="list-style-type: none"><li>◦ Whether the single entity is the developer / REIT / Private Investor / Sponsor / etc.</li><li>◦ Confirm is single entity is current on HOA dues/payments; if no, provide delinquency details</li><li>◦ Confirm if single entity intends to sell some or all of the owned units; if yes, provide the marketing strategy and confirm how many units are vacant / on the market</li><li>◦ Confirm whether the subject unit is one of the single entity owned units</li><li>◦ Confirm current occupancy type of subject unit</li><li>◦ Confirm if the single entity is actively purchasing units in the project or exercising a right of first refusal</li></ul></li></ul>
Commercial Space 50% < 60%
<ul style="list-style-type: none"><li>• Declaration of Condo &amp; Bylaws</li><li>• Appraisal if available</li></ul>
Insurance Deductibles
<ul style="list-style-type: none"><li>• If deductible 5% &lt; 10%<ul style="list-style-type: none"><li>◦ Budget &amp; Balance Sheet</li></ul></li><li>• If deductible is per unit and total is &gt; 5% of policy value<ul style="list-style-type: none"><li>◦ H06 to cover the cost of the related perils with per unit deductible at equal amount and loss assessment coverage is at equal amount</li><li>◦ Example: if water deductible is \$25K per unit, H06 must cover water in at least \$25k and loss assessment in at least \$25k of coverage</li></ul></li><li>• Insurance with Unaffiliated Projects<ul style="list-style-type: none"><li>◦ Schedule of locations and values</li></ul></li></ul>
Short Term Rentals Non-warrantable or Condotel Determination
<ul style="list-style-type: none"><li>• Declaration of Condo / CC&amp;Rs</li><li>• Rules &amp; Regulations</li></ul>
Delinquencies > 25%
<ul style="list-style-type: none"><li>• HOA LOX indicating the following details<ul style="list-style-type: none"><li>◦ Confirm how many units are 61 – 90 days late / how many units are &gt; 90 days late</li><li>◦ Confirm how many units are &gt; 90 days late and are on a current payment plan</li><li>◦ Confirm how many units have been referred to collections / foreclosure</li></ul></li></ul>
Presale < 40%
<ul style="list-style-type: none"><li>• LOX indicating the date of the first contract of sale in the subject legal phase</li><li>• Additional Requirements<ul style="list-style-type: none"><li>◦ 25% of units in subject legal phase must be OO / 2<sup>nd</sup> under contract or sold and closed within the first 18 months of marketing units for sale. Note that marketing time is when units when first made available for sale, or date of first contract of sale whichever is more recent</li><li>◦ After 18 months of marketing, project must be 30% OO / 2<sup>nd</sup> and 50% under contract or sold and closed</li></ul></li></ul>