



Condominium Unit Mortgages and Project Reviews

Easily determine project status with comprehensive criteria

We offer expanded, comprehensive requirements for Condominium Unit Mortgages and condominium projects that make for an easy and flexible process to originate and sell Condominium Unit Mortgages to Freddie Mac. From more options for accepted reciprocal reviews to streamlined reviews, you have competitive solutions and options available through the *Single-Family Seller/Service Guide* (Guide).

› Condominium Projects

- Established Condominium Projects
- New Condominium Projects
- 2- to 4-unit Condominium Projects
- Detached Condominium Projects

› Key Features

- Easy identification and review of condominium projects
- Clear project status classifications to easily determine which eligibility requirements and warranties you need to satisfy
- Comprehensive project criteria to get more condominium projects approved and more mortgages sold to us

› Lender Benefits

- Speed, flexibility, and simplicity through a streamlined review process
- More options for accepted reciprocal reviews, providing you added flexibility
- Significant time and financial savings
- Improve your front-end process with borrowers and back-end operations

ORIGINATION & UNDERWRITING REQUIREMENTS

Streamlined Review Requirements	<ul style="list-style-type: none"> The condominium unit must be in an Established Condominium Project. The condominium unit must secure a mortgage that is originated on a spot loan basis. The condominium project in which the unit is located meets the definition of an Established Condominium Project The condominium unit is not a manufactured home The general project warranties of Section 42.2 are met; Additional seller warranties of Section 42.11 not required. Maximum LTV/TLTV Ratios <table border="1" style="margin: 10px auto;"> <thead> <tr> <th colspan="3">Streamlined Review of Units in Established Condominium Projects</th> </tr> <tr> <th></th> <th colspan="2">Maximum LTV/TLTV</th> </tr> <tr> <th>Occupancy Type</th> <th>LP Accept Mortgages</th> <th>All Other Mortgages</th> </tr> </thead> <tbody> <tr> <td>Primary Residence</td> <td>90%</td> <td>80%</td> </tr> <tr> <td>Second Home</td> <td>75%</td> <td>75%</td> </tr> <tr> <td>Investment Property</td> <td>Not eligible</td> <td>Not eligible</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Condominium Unit Mortgages secured by properties in Florida where the Seller uses a streamlined project review or certain reciprocal project reviews must meet the special maximum LTV/TLTV/HTLTV requirements outlined in Guide Chapter 42.4. 	Streamlined Review of Units in Established Condominium Projects				Maximum LTV/TLTV		Occupancy Type	LP Accept Mortgages	All Other Mortgages	Primary Residence	90%	80%	Second Home	75%	75%	Investment Property	Not eligible	Not eligible
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General Requirements	<ul style="list-style-type: none"> When a Seller delivers a Condominium Unit Mortgage, the condominium unit and condominium project must meet applicable eligibility requirements, general project warranties and legal requirements applicable for the project status or review type For purposes of calculating the presale requirements, multiple purchases of units in a project by one owner are counted as one sale. All Condominium Unit Mortgages must be sold to us within six months of the determination that the project meets Freddie Mac requirements. Mortgages secured by condominium units in projects comprised of manufactured homes are eligible for sale only when approved through a reciprocal review in accordance to Section 42.9(a).
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General Warranties	<ul style="list-style-type: none"> Compliance with laws Ineligible project Project insurance Title insurance Limitations on ability to sell/Right of first refusal Continuing project eligibility
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Ineligible Projects	<ul style="list-style-type: none"> A project subject to the rules and regulations of the U.S. Securities and Exchange Commission Common interest apartment Condominium Hotel Project with non-incident commercial space Project with non-incident commercial homes Fragmented- or segmented-ownership project Houseboat project. Project with multi-dwelling units Attached condominium project that is legal non-conforming Timeshare project Project involved in litigation arbitration, mediation or other dispute
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ESTABLISHED CONDOMINIUM PROJECTS

Definition	<p>It is an Established Condominium Project if:</p> <ul style="list-style-type: none"> All units and common elements are complete and not subject to any additional phasing or additions; and At least 90 percent of the total units have been conveyed to the unit purchasers other than the developer; and The unit owners control the homeowners association.
Owner Occupancy Requirements	<ul style="list-style-type: none"> If used as a primary residence or second home: No owner-occupancy requirement. If used as an investment property: At least 51 percent of the total number of condominium units must have been conveyed to purchasers other than the developer who occupy their units as a primary residence or second home.
Warranties	<ul style="list-style-type: none"> The project meets the definition of an Established Condominium Project. There are no manufactured homes in the project. General project warranties in Guide Section 42.2 are met. Additional seller warranties in Section 42.11 are met.

NEW CONDOMINIUM PROJECTS	
Definition	<p>It is a New Condominium Project if:</p> <ul style="list-style-type: none"> • All units and common elements are not fully completed, or are subject to additional phasing or annexation; or • Fewer than 90 percent of the total number of units in the project have been conveyed to the unit purchasers other than the developer; or • The developer has not turned control of the homeowners association over to the unit owners.
Owner Occupancy Requirements	<ul style="list-style-type: none"> • At least 51 percent of the units have been conveyed or are under contract to purchasers other than the developer who occupy or who will occupy their units as primary residences or second homes. • See Section 42.6(b) for more information on how the owner occupancy requirement can be met.
Project Completion	<ul style="list-style-type: none"> • Subject legal phase and any prior legal phases in which units have been offered for sale are substantially complete. • See Section 42.6(a) for more information.
Warranties	<ul style="list-style-type: none"> • The project meets the definition of a New Condominium Project. • There are no manufactured homes in the project. • General project warranties in Guide Section 42.2 are met. • Additional seller warranties in Section 42.11 are met.
DETACHED PROJECTS	
Definition	<ul style="list-style-type: none"> • Condominium project comprised solely of detached 1-unit dwellings • No manufactured homes in the project • If the condominium unit is an investment property, the project must meet the requirements for an Established or a New Condominium Project as appropriate for the project status
Owner Occupancy requirements	<ul style="list-style-type: none"> • If the borrower will occupy the condominium unit as a primary residence or second home: <ul style="list-style-type: none"> ▪ The project must meet the definition of a detached condominium project ▪ There are no manufactured homes in the project • If the subject condominium unit is an investment property, refer to owner occupancy requirements for New and Established Condominium Projects, as applicable
Warranties	<ul style="list-style-type: none"> • The general project warranties of Section 42.2 are met. • Additional seller warranties of Section 42.11 not required.
2- TO 4-UNIT PROJECTS	
Definition	<ul style="list-style-type: none"> • A condominium project that is comprised of at least two but no more than four 1-unit dwellings that are each separately owned with separate legal descriptions. • No single entity owns more than one condominium unit in the project. • No manufactured homes in the project.
Owner Occupancy Requirements	All but one unit in the condominium project have been conveyed to purchasers other than the developer who occupy their condominium units as primary residences or second homes.
Project Completion	All condominium units and common elements including amenities in any master association are complete.
Warranties	<ul style="list-style-type: none"> • The general project warranties of Section 42.2 are met. • Additional seller condominium project warranties of Section 42.11 are met.
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> • Servicing-released fixed-rate Cash* • Servicing-retained fixed rate Cash and WAC ARM Cash • Fixed-rate Guarantor • WAC ARM Guarantor • MultiLender Swap <p>*See our selling system availability matrix for a list of specific mortgages eligible for sale through Cash under mandatory contracts servicing released and best efforts contracts servicing released or servicing retained.</p>
Delivery Fees	Postsettlement delivery fees apply. See Guide Exhibit 19 for details or visit Guide Exhibit 19 online at www.FreddieMac.com/singlefamily/pdf/ex19.pdf

Delivery Requirements	<p>The Seller must deliver all mortgage date required by Form 11 or Form 13SF as applicable. The Seller must complete certain fields of these forms as follows:</p> <table border="1" data-bbox="451 216 1433 468"> <thead> <tr> <th>Field Title</th> <th colspan="2">Completion Instructions</th> </tr> </thead> <tbody> <tr> <td>Property Type</td> <td colspan="2">Insert "1"</td> </tr> <tr> <td>Condo/PUD Name</td> <td colspan="2">Insert the name of the condominium</td> </tr> <tr> <td rowspan="6">Condo/PUD Class</td> <th>Project or Review Type</th> <th>Insert value</th> </tr> <tr> <td>New Condominium Project</td> <td>1</td> </tr> <tr> <td>Established Condominium Project</td> <td>2</td> </tr> <tr> <td>2- to 4-unit Condominium Project</td> <td>2</td> </tr> <tr> <td>Streamlined review</td> <td>3</td> </tr> <tr> <td>Reciprocal review</td> <td>3</td> </tr> <tr> <td>Detached Condominium Project</td> <td>3</td> </tr> </tbody> </table> <p>For California Condominium Unit Mortgages only (see Guide Section 42.12 for additional information):</p> <ul style="list-style-type: none"> • SCC: 257 – for mortgages with partially prefunded earthquake insurance deductibles • SCC: 259 – for mortgages with adequately prefunded earthquake insurance deductibles • SCC: 261 – for mortgages evaluated; earthquake insurance not necessary <p>Delivery requirements for other Condominium Unit Mortgages are based on the mortgage product type originated.</p>	Field Title	Completion Instructions		Property Type	Insert "1"		Condo/PUD Name	Insert the name of the condominium		Condo/PUD Class	Project or Review Type	Insert value	New Condominium Project	1	Established Condominium Project	2	2- to 4-unit Condominium Project	2	Streamlined review	3	Reciprocal review	3	Detached Condominium Project	3
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Pooling Requirements	<ul style="list-style-type: none"> • There are no special pooling requirements for Condominium Unit Mortgages. • Refer to Guide Chapter 13 for general pooling requirements for fixed-rate and balloon/reset mortgages sold under the Fixed-rate Guarantor or MultiLender Swap executions. Or, refer to Guide Chapter A13 for general pooling requirements for ARMs under the WAC ARM Guarantor executions. 																								
RECIPROCAL REVIEWS: WARRANTIES																									
Fannie Mae-Accepted Condominium, Cooperatives, and PUDs	<ul style="list-style-type: none"> • General project warranties in Section 42.2 are met. • The project meets the Fannie Mae requirements and the Seller makes the Fannie Mae-required representations and warranties. • Any terms and conditions for acceptance have not expired, and have not been rescinded or modified in any way as of delivery date. • Seller is not aware of any circumstances that would make the project ineligible for Fannie Mae acceptance. 																								
Expedited CPM Reviews	<ul style="list-style-type: none"> • General projects warranties in Section 42.2 are met. • The project meets the Fannie Mae requirements and the Seller makes the Fannie Mae-required representations and warranties. • The CPM project acceptance has not expired, and has not been rescinded or modified in any way as of delivery date. • Seller is not aware of any circumstances that would make the project ineligible for CPM project acceptance. • Condominium Unit Mortgages secured by properties in Florida where the Seller uses an expedited CPM review must meet the special maximum LTV/TLTV/HTLTV requirements outlined in Guide Chapter 42.9. 																								
FHA-Approved Project Review for Condominiums	<ul style="list-style-type: none"> • The project meets all FHA requirements, and the Seller makes all FHA representations and warranties. • General project warranties in Section 42.2 are met. • FHA-approval conditions have been met • The project is "approved" status as of delivery date. • Condominium Unit Mortgages secured by properties in Florida where the Seller uses an FHA-approved project review must meet the special maximum LTV/TLTV/HTLTV requirements outlined in Guide Chapter 42.9. 																								

Learn more about Condominium Unit Mortgages and project review options

- Review Chapter 42 of the *Single Family Seller/Service Guide*
- Contact your Freddie Mac representative or call (800) FREDDIE
- Visit our website: www.FreddieMac.com