

Condominium Requirements – Guides and Fact Sheet



All condominium transactions must have completed Homeowners' Association (HOA) Questionnaire and a valid project approval. The HOA certification may not be greater than 90-days old at the time of funding.

All condominium projects must meet the following requirements:

LTV	HOA Reserve Requirements
> 80% LTV	≥ 10% of the annual budget
80% to 70% LTV	≥ 5% of the annual budget
< 70% LTV	No reserve accounts required

LTV	Pre-Sale Requirements
Max LTV Allowed	90% Sold & Closed
Max LTV Reduced by 10%	25% to 89%, Sold & Closed
Not Eligible	Less than 25% Sold & Closed

*Foreign Nationals must meet 90% sold & closed

*Maximum concentration for Angel Oak is 5%

- The project must be in compliance with all applicable state or local laws. The homeowners' association must be incorporated in the state in which the project is located.
- Condo projects must have acceptable insurance coverage. If in a flood zone, master must have flood policy.
- All common areas and amenities within the project or subject phase must be complete.
- Subject unit must have at least 450 sqft of living space.
- Leasehold (Land Lease) is OK with same comps; Recreation Lease is OK (30+ yrs remaining lease term req'd)

- HOA Delinquency must not exceed 15% of the units.; **and** Annual Budget Dollar Delinquency must not exceed 10%
- No more than 30% of the total square footage of the project may be used for commercial purposes.
- No single entity may own more than 20% of the total units in the project.
- 100% Investor Concentration OK!
- Up to 10% deductible on master condo insurance policy. (Fannie /Freddie max 5%)

Litigation:

Projects with pending or threatened litigation are typically ineligible. Litigation may be acceptable if it is determined to be minor and immaterial. Details of the litigation must be submitted with questionnaire, attorney letter or the actual filed complaint.

Condo Conversions:

A condominium conversion is the conversion of an existing building to a condominium project. Minimum 3 year seasoning.

Condo-hotel/Condotels (No Foreign Nationals):

Minimum FICO 700, minimum loan amount \$150,000; maximum loan amount \$1MM. Maximum LTV on purchase is 75%

Maximum LTV on rate & term and cash out refinance is 65%. Minimum DSCR is 1.00

Fully functional kitchen – defined as full-size appliances including refrigerator along with a stove/stovetop or oven

CA Condos & SB326:

SB326 condos allowed - Subject Property must be completed or not in need of repairs. Must have a schedule of repairs for the remainder of the complex.

Earthquake Insurance Analysis, FHLMC Form 465S, must be completed when subject property is in CA. Earthquake insurance is required for projects in "moderate" or "high" risk zip codes. Obtain a copy of the Site-Specific Earthquake Risk Analysis from HOA.

****Non-Warrantable Condos - please contact your AE for specific parameters**