

Condominium Questionnaire – Answer Key

Project Name					
Project Name Must be completed			Project Tax ID #		
Project Physical Address Must be completed					
City, State, and Zip Code Must be completed					
HOA Management Company Must be completed, if applicable			HOA Management Tax ID #		
HOA Management Address Must be completed, if applicable					
City, State, and Zip Code Must be completed, if applicable					
Name of Master or Umbrella Association, if applicable Must be completed, if applicable					
General Project Information					
1	Are the units in the project If detached, a review is not required			x	Attached
2	Total # of Buildings in the entire project			x	Detached
3	Total Units			Subject Phase (New Construction Only)	Entire Project (All Phases)
	Total # of Residential Units				Must be completed
	Total # of Commercial/Non-Residential Units				Must be completed
	Total # of units complete				Must be completed
	Total # of Units for sale				Must be completed
	Total # of Units sold and closed				Must be completed
	Total number of units under bona-fide contracts				Must be completed
	Total # of units sold and closed or under contract to owner-occupants				Must be completed
	Total # of units sold and closed or under contract to second home owners				Must be completed
	Total # of units sold and closed or under contract to investor owners				Must be completed
	Total # of units owned by the HOA				Must be completed
Include intended occupancy of units under contract in these totals					
4	a. Total # of units being rented by the developer, sponsor, or converter				Must be completed
	b. Of these, how many are tenant occupied?				Must be completed
	c. Of these, how many are vacant and marketed for sale?				Must be completed
5	a. Does any single person/entity other than the sponsor/developer own more than one unit in the project?			Yes	No
	b. If yes, how many units are owned by each? Fannie – projects with 5-20 units – max 2; 21+ units – 20%; Freddie – 25%; Portfolio – 20% but, can ask for exception when/if >20%				
6	a. Are all units, common elements, and facilities 100% complete in project and/or subject legal phase?			Yes	No
	b. If no, describe any incomplete phases/units/areas:				
7	Is the project subject to any additional annexation or phasing?			Yes	No
8	a. Has the HOA been turned over to the unit owners? Must be completed			Yes	No
	b. If yes, what date was control turned over? Must be completed				
9	What year was the project built? Must be completed				
Newly Converted or Rehabilitated Project Information					
10	Is the project a conversion within the last 3 years of an existing structure that was used as an apartment, hotel/resort, retail or professional business, industrial or for other non-residential use? If yes, complete items a-g below			Yes	No
	a. In what year was the property built? Must be completed, if applicable				
	b. In what year was the property converted? Must be completed, if applicable				
	c. Was the conversion a full gut rehabilitation of the existing structure(s), including replacement of all major mechanical components? Must be completed, if applicable			Yes	No
	d. Does the report from the licensed engineer indicate that the project is structurally sound, and that the condition and remaining useful life of the project's major components are sufficient? Must be completed, if applicable			Yes	No
	e. Are all repairs affecting safety, soundness, and structural integrity complete? Must be completed, if applicable			Yes	No
	f. Are replacement reserves allocated for all capital improvements? Must be completed, if applicable			Yes	No
	g. Are the project's reserves sufficient to fund the improvements? Must be completed, if applicable			Yes	No
Project Characteristics and Amenities					
11	a. Do the unit owners have sole ownership and rights to use the project facilities and amenities?			Yes	No
	b. If no, explain who has ownership interest in and rights to the use the project amenities and common areas:				
12	Does the project contain any of the following?				

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	a. Hotel/Motel/Resort activities, mandatory or voluntary rental pooling arrangements, or other restrictions on the unit owner's ability to occupy the unit		Yes		No
	b. Deed or resale restrictions		Yes		No
	c. Manufactured Homes		Yes		No
	d. Mandatory fee-based memberships for use of the project amenities or services		Yes		No
	e. Non-incident income from business operations		Yes		No
	f. Supportive or continuing care for seniors or for residents with disabilities		Yes		No
	Provide additional detail here, if applicable (optional)				
13	Are any units or any part of the building used for non-residential or commercial space?		Yes		No
	If yes, complete the following table. Must be completed, if applicable				
	Type of Commercial or Non-Residential Use	Name of Owner or Tenant	# of Units	Square Footage	% Square Footage of Total Project Square Footage
					%
					%
					%
14	a. What is the total square footage of commercial space that is separate from the residential HOA? Include above and below grade space used for commercial purposes, such as public parking facilities, retail space, apartments, commercial offices, and so on				
	b. Total square footage of all commercial space				
Legal and Financial Information					
15	How many unit owners are 60 or more days delinquent on common expense assessments? Must be completed				
16	Does the project permit for a priority lien for unpaid common expenses in excess of 6 months (Florida only – in excess of 12 months)? If yes, please provide the condominium declaration/master deed or state statute			Yes	No
17	Is the HOA involved in any active litigation? If yes, provide a litigation disclosure that describes a) the nature of the claim; b) if the insurance company is defending the claim; c) the estimated amount of the claim; d) a copy of the complaint; and e) the attorney's name and phone number handling the claim			Yes	No
18	Does the HOA and/or management company adhere to one or more of the following financial controls?			Yes	No
	<ul style="list-style-type: none"> Separate bank accounts are maintained for the working account and the reserve account, each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the HOA The management company maintains separate records and back accounts for each HOA that uses its services, and the management company does not have the authority to draw checks on, or transfer funds from, the reserve account of the HOA Two members of the board of directors must sign any check written on the reserve account 				
Insurance					
19	Are the units or common areas located in a flood zone? Must be completed			Yes	No
	If yes, flood coverage is in force equaling (select only one option below) 100% Replacement Cost Maximum coverage per condominium available under the National Flood Insurance Program Some other amount \$ _____				
20	Supply the information requested below. Do NOT enter "contact agent"				
	Type of Insurance	Carrier/Agent Name	Carrier/Agent Phone Number	Policy Number	
	Hazard	Must be completed	Must be completed	Must be completed	
	Liability	Must be completed	Must be completed	Must be completed	
	Fidelity	Must be completed	Must be completed	Must be completed	
	Flood	Must be completed, if applicable	Must be completed	Must be completed	
Building Safety, Structural Integrity, Soundness, Habitability					
21	When was the last building inspection by a licensed architect, licensed engineer, or any other building inspector? Must be completed				
22	Did the last inspection have any findings related to the safety, soundness, structural integrity, or habitability of the project's building(s)? Must be completed			Yes	No
	a. If yes, have recommended repairs/replacements been completed? Must be completed, if applicable			Yes	No
	b. If the repairs have not been completed, what repairs/replacements remain to be completed? Must be completed, if applicable				
	c. When will the repairs/replacements be completed? Must be completed, if applicable				
	Provide a copy of the inspection and HOA board meeting minutes to document findings and action plan. Must be provided, if applicable				
23	Is the HOA aware of any deficiencies related to the safety, soundness, structural integrity, or habitability of the project's building(s)? Must be completed			Yes	No
	a. If yes, what are the deficiencies? Must be completed, if applicable				

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	b. Of these deficiencies what repairs/replacements remain to be completed? Must be completed, if applicable		
	c. Of these deficiencies, when will the repairs/replacements be completed? Must be completed, if applicable		
24	Are there any outstanding violations of jurisdictional requirements (zoning ordinances, codes, etc.) related to the safety, soundness, structural integrity, or habitability of the project's building(s)? If yes , provide notice from the applicable jurisdictional entity. Must be completed	Yes	No
25	Is it anticipated the project will, in the future, have such violation(s)? If yes , provide details of the applicable jurisdiction's requirement and the project's plan to remediate the violation. Must be completed	Yes	No
26	Does the project have a funding plan for its deferred maintenance components/items to be repaired/replaced? Must be completed	Yes	No
27	Does the project have a schedule for the deferred maintenance components/items to be repaired/replaced? If yes , provide schedule. Must be completed	Yes	No
28	Has the HOA had a reserve study completed on the project in the past 3 years? Must be completed	Yes	No
29	What is the total of the current reserve account balances? Must be completed		\$
30	Are there any current special assessments unit owners are obligated to pay? Must be completed	Yes	No
	a. What is the total amount of the special assessment? Must be completed, if applicable		\$
	b. What are the terms of the special assessment? Must be completed, if applicable		
	c. What is the purpose of the special assessment? Must be completed, if applicable		
31	Are there any planned special assessments with the unit owners will be obligated to pay? Must be completed	Yes	No
	a. If yes , what will be the total amount of the special assessment? Must be completed, if applicable		\$
	b. What will be the terms of the special assessment? Must be completed, if applicable		
	c. What will be the purpose of the special assessment? Must be completed, if applicable		
32	Has the HOA obtained any loans to finance improvements or deferred maintenance? Must be completed	Yes	No
	a. Amount borrowed? Must be completed, if applicable		\$
	b. Terms of repayment? Must be completed, if applicable		

Contact Information

Name of Preparer	Must be completed
Title of Preparer	Must be completed
Preparer's Email	Must be completed
Preparer's Company Name	Must be completed
Preparer's Company Address	Must be completed
Date Completed	Must be completed

Documentation Checklist

<input type="checkbox"/>	Condominium Questionnaire – 5+ Units – (Signed/Dated/Completed by the HOA/Management Company)
<input type="checkbox"/>	Project Operating Budget - Must provide funding for capital expenditures/deferred maintenance (10% of budget) and insurance deductibles
<input type="checkbox"/>	New or Newly Converted Projects Only - Recorded Legal Documents, including the Master Deed/Covenants, Conditions, and Restrictions (CC&R's)/Declarations and any amendments; signed and adopted By-Laws and any amendments
<input type="checkbox"/>	Property Master Insurance must cover 100% of the insurable replacement cost of the project improvements, including the individual units in the project. An insurance policy that includes any of the following coverage, either in the policy language or in a specific endorsement to the policy, is acceptable: → Guaranteed Replacement Cost—the insurer agrees to replace the insurable property regardless of the cost, → Extended Replacement Cost—the insurer agrees to pay more than the property's insurable replacement cost, or → Replacement Cost—the insurer agrees to pay up to 100% of the property's insurable replacement cost.
<input type="checkbox"/>	Liability Policy - \$1 Million coverage for bodily injury/property damage per occurrence
<input type="checkbox"/>	Master Flood Policy – The master flood insurance policy must be at least equal to the lower of <ul style="list-style-type: none"> • 80% of the replacement cost, or • The maximum insurance available from NFIP per unit (which is currently \$250,000).
<input type="checkbox"/>	Fidelity Insurance - Required if project has more than 20 Units B7-4-01 Fidelity Insurance
<input type="checkbox"/>	Litigation Letter, if applicable – If the project is currently involved in litigation, please provide documentation –



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1 If the project is detached, Fannie Mae nor Freddie Mac require a review of the project – Project Type is "V"
6. Completion - Answering "No" will result in Guide Ineligibility for Established Projects. All units, common areas and facilities must be 100% complete and the project cannot be subject to additional phasing or annexation. 90% of the units must be conveyed to unit purchasers.
7. Annexation/Phasing – Answering "Yes" for an established project (developer has turned the project over to the HOA) will result in Guide Ineligibility.
8. Control - Control of the HOA must be turned over to the Unit Owners. If the entire project is not complete, it may be eligible for review under "New Projects" and/or if the project is still in control of the developer, it may be eligible for review under "New Projects". If it is a new project, Legal phase must be substantially complete which means the unit and common elements in the building where the unit is located are complete except for the installation of buyer selected items in the remaining units.
10. Newly Converted/Rehabilitation Projects - newly converted (≤ 3 years) non-gut rehabilitated projects are not eligible for delivery to Fannie Mae. They are eligible for delivery to Freddie Mac.
11. Amenities - Unit owners in the project must have the sole ownership interest in, and rights to the use of the project's facilities, common elements, and limited common elements, except as noted below. Shared amenities are permitted only when two or more HOAs share amenities for the exclusive use of the unit owners. The associations must have an agreement in place governing the arrangement for shared amenities that includes the following: <ul style="list-style-type: none"> • a description of the shared amenities subject to the arrangement; • a description of the terms under which unit owners in the project may use the shared amenities; • provisions for the funding, management, and upkeep of the shared amenities; and • provisions to resolve conflicts between the associations over the amenities. Examples of shared amenities include, but are not limited to, clubhouses, recreational or fitness facilities, and swimming pools. The developer may not retain any ownership interest in any of the facilities related to the project. The amenities and facilities—including parking and recreational facilities—may not be subject to a lease between the unit owners or the HOA and another party. Parking amenities provided under commercial leases or parking permit arrangements with parties unrelated to the developer are acceptable.
12a. Hotel/Motel/Resort Activities, mandatory or involuntary rental pooling arrangements, or other restrictions on the unit owner's ability to occupy the unit – Answering "Yes" can/will result in Guide Ineligibility.
12b. Deed or Resale Restrictions – Will need a copy of the declarations to confirm the restrictions. If it's an age restricted, 55+ community, that is acceptable. As long as the restriction does not restrict due to sex, race, etc.
12c. Manufactured Homes – Manufactured home communities in a condominium regime are ineligible for delivery.
12d. Mandatory Fee-based memberships for use of the project amenities or services – see #11
12e. Non-Incidental Business Income - A condo project is ineligible if the HOA is receiving more than 10% of its budgeted income from non-incidental business arrangements related to the active ownership and/or operation of amenities or services available to unit owners and the general public. This includes, but is not limited to, businesses such as a restaurant or other food- and beverage-related services, health clubs, and spa services. Non-incidental income from the following sources is permitted provided the income does not exceed 15% of the project's budgeted income: <ul style="list-style-type: none"> • income from the use of recreational amenities or services owned by the HOA for the exclusive use by unit owners in the project or leased to another project according to a shared amenities agreement (as noted below), or • income from the leasing of units in the project acquired by the HOA through foreclosure. The single-entity ownership limits (described above) will apply to the number of units owned and rented by the HOA.
12f. Supportive or continuing care for seniors or for residents with disabilities
13-14 – Commercial space – Maximum allowable commercial space is 35% of total square footage. Commercial space managed by or operated under a separate association, as well as rental apartments owned by a third party must be considered in this 35% calculation. Commercial parking spaces are excluded from the calculation
15. Delinquency of Assessments - If over 15% of the owners are over 60 days delinquent than the project is ineligible.
16. Priority Liens in excess of 6 months (Florida only – in excess of 12 months – Answering "Yes" could result in guide ineligibility. A copy of the either the declarations or state statute is required to determine when answered "yes".
17. Litigation - If question #17 is "Yes", it will/can result in guide ineligibility. Projects in which the HOA is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project will result in Guide Ineligibility. If the lender determines that pending litigation involves minor matters with no impact on the safety, structural soundness, habitability, or functional use of the project, the project is eligible provided the litigation is limited to one of the following categories: (a) non-monetary litigation involving neighbor disputes or rights of quiet enjoyment; (b) litigation for which the claimed amount is known, the insurance carrier has agreed to provide the defense, and the amount is covered by the HOA's insurance; or (c) the HOA is named as the plaintiff in a foreclosure action, or as a plaintiff in an action for past due HOA assessments. A litigation letter, copy of complaint, insurance company defending complaint, estimated amount of complaint, and attorney's name/number is required.
18. Financial Control - Answering "No" will result in Guide Ineligibility
19. Flood Insurance – Per Fannie Mae and Freddie Mac The coverage amount for the building must be at least equal to the lesser of <ul style="list-style-type: none"> • 80% of the replacement cost, or • the maximum insurance available from NFIP per unit (which is currently \$250,000). If the master flood insurance policy meets the minimum coverage requirement of 80% replacement cost, but the per unit coverage amount does not meet the requirement for mortgage loans secured by one- to four-unit properties, as described above, the unit owner must maintain a supplemental policy for the difference. If the commercial space of an attached condo is over 25%, coverage provided by the General Property Form (or equivalent coverage) is insufficient. A private policy will need to be maintained by the HOA or a private policy in conjunction with a General Property Form policy (or equivalent coverage) to equate to coverage requirements for projects eligible for a Residential Condominium Building Association Policy. The contents coverage must equal the lesser of 100% of the insurable value of all contents owned in common by the association members or the maximum amount available through the NFIP.
20. Hazard Insurance must cover 100% of the insurable replacement cost of the project improvements, including the individual units in the project. An insurance policy that includes any of the following coverage, either in the policy language or in a specific endorsement to the policy, is acceptable: <ul style="list-style-type: none"> • Guaranteed Replacement Cost—the insurer agrees to replace the insurable property regardless of the cost.

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- Extended Replacement Cost—the insurer agrees to pay more than the property's insurable replacement cost, or
- Replacement Cost—the insurer agrees to pay up to 100% of the property's insurable replacement cost.

Policies with Coinsurance

Policies with coinsurance provisions can create additional risk for an HOA in the event of a loss if the amount of insurance coverage is less than the full insurable value. Master property policies that provide coverage at 100% of the insurable replacement cost of the project improvements, including the individual units, alleviate the risk of a coinsurance penalty being applied in the event of a loss.

If the policy has a coinsurance clause, inclusion of an Agreed Amount Endorsement or selection of the Agreed Value Option (which waives the requirement for coinsurance) is considered acceptable evidence that the 100% insurable replacement cost requirement has been met. If an Agreed Amount/Agreed Value provision is used, the Agreed Amount must be no less than the estimated replacement cost.

If the policy includes a coinsurance clause, but the coinsurance provision is not waived, the policy is still eligible if evidence acceptable to the lender confirms that the amount of coverage is at least equal to 100% of the insurable replacement cost of the project improvements. This evidence (documentation) must be maintained by the lender.

Special Endorsements

- Inflation Guard when it can be obtained
- Building Ordinance or Law Endorsement, if applicable and/or if obtainable
- Boiler and Machinery/Equipment Breakdown – if the project has CA&H or cooling. This endorsement should provide for the insurer's minimum liability per accident to at least equal the lesser of \$2 million or the insurable value of the building(s) housing the boiler or machinery. In lieu of obtaining this as an endorsement to the commercial package policy, the project may purchase separate standalone boiler and machinery coverage.

Liability - the amount of coverage must be at least \$1 million for bodily injury and property damage for any single occurrence

Fidelity – The HOA policy must cover the maximum funds that are in the custody of the HOA agent at any time while the policy is in force. Fidelity/crime insurance is not required if the maximum estimated funds are less than or equal to \$5,000. A lesser amount of coverage is acceptable if the project's legal documents require, and/or another source acceptable to the seller verifies that the HOA and any management company adheres to one of the following financial controls:

- Separate bank accounts are maintained for the working account and the reserve account, each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the HOA
- The management company maintains separate records and bank accounts for each HOA that uses its services, and the management company does not have the authority to draw checks on, or transfer funds from the reserve account of the HOA
- Two members of the Board of Directors must sign any checks written on the reserve account

Even then, the fidelity/crime insurance coverage must equal at least the sum of three months of assessments on all units in the project, unless this calculated amount is less than or equal to \$5,000, in which case fidelity/crime insurance is not required.

21. **Building Inspection** – If applicable, must obtain a copy of the report. If a report has not been completed, most recent 6 months of meeting minutes or reserve study is required to determine if there is deferred maintenance and/or special assessments.

22-32. Critical Repairs, Material Deficiencies, Significant Deferred Maintenance, and/or Routine Repairs and Maintenance

- **Critical Repairs** – Repairs and replacements that significantly impact the safety, soundness, structural integrity, or habitability of the project building(s) and/or that impact values, financial viability, or marketability of the project. These repairs and replacements include:
 - All life safety hazards
 - Violations of any federal, state, or local law, ordinance or code relating to zoning, subdivision use, building, housing accessibility, health matters, or fire safety
 - Material deficiencies
 - Significant Deferred Maintenance
- **Material Deficiencies** – Unresolved problems that cannot reasonably be addressed by normal operation or routine maintenance and which include:
 - Deficiencies which, if left uncorrected, have the potential to result in or contribute to critical element or system failure in one year
 - Deficiencies that will likely result in a significant escalation of remedial cost related to any material building components that are approaching, have reached or exceed their typical expected useful life or whose remaining useful life should not be relied upon in view of actual or effective age, abuse, excessive wear and tear, poor maintenance, and exposure to elements
 - Any mold, water intrusions or potentially damaging leaks to the project's building(s)
- **Significant Deferred Maintenance** – The postponement of normal maintenance, which cannot reasonably be resolved by normal operations or routine maintenance, and which may result in any of the following:
 - Advanced physical deterioration
 - Lack of full operation or efficiency
 - Increased operating cost
 - Decline in property value
- **Routine Repairs and Maintenance** – Repairs and maintenance that are expected to be completed by the project in the normal course of business and are nominal in cost. These repairs are not considered to be critical and include work that is:
 - Often preventative in nature
 - Accomplished within the project's normal operating budget
 - Typically completed by on-site staff
 - Focused on keeping the project fully functional and serviceable