



Seller Name: _____

Seller ID #: _____

Borrower Name: _____ Loan #: _____

Project Name: _____ Phase: _____

Property Address: _____

Condo Questionnaire – 2-4 Unit Projects

1. Are all the Common Areas and facilities complete? Yes No
2. Does any single entity own more than one unit? IF YES, list how many each entity owns: _____ Yes No
3. Are there any pending special assessments? Yes No
IF yes, explain: _____
4. Is the HOA or unit owners involved in any litigation, arbitration, mediation or other dispute resolution process? IF YES, the project needs full consideration of risk. Yes No
5. To the best of your knowledge, are there any adverse environmental factors affecting the project as a whole or the individual units? Yes No
6. How many units are 30 days or more delinquent in their HOA dues? Yes No
7. Do the project legal documents include any restrictions on sale which would limit the free transferability of title? (i.e. Age Restrictions, First Right of Refusal, other deed/income restrictions) Yes No
8. Is any part of the project used for commercial purposes? Yes No
IF YES, what percentage of square footage? Percentage: _____
Describe the commercial space: _____
9. HOA is named insured on master insurance policy? Yes No
10. Are common elements/limited common elements insured to 100% replacement cost? Yes No
Coverage: _____ Deductible: _____ Expiration Date: _____
11. Are units or common improvements located in a flood zone? Yes No
IF YES, is flood insurance in force? Yes No Does this cover at least 80% replacement? Yes No
OR, is this the coverage maximum available per federal flood program? Yes No
12. Is the HOA insured for general liability? Yes No
IF YES, amount per occurrence \$ _____
13. Does the HOA provide hazard insurance coverage for the interior (walls-in) of the condo unit? Yes No
14. Minimum number of days required for written notification to be given to HOA or insurance trustee before any substantial changes or cancellation of the project coverage? _____
15. Is the project an "ineligible project" in accordance with MAM and/or Fannie Mae Guidelines? Yes No
Note: If the project is a condo operated as a cooperative or condotel, as identified by the presence of hotel-type services (i.e., registration desk and/or use of daily occupancy rates; the availability of food and telephone services; provisions for daily cleaning services) or a time-share type arrangement, the project is ineligible.

Questions 10-15 can be answered with an insurance binder.

Reviewer's Name: _____ Phone: _____

Position/Title: _____ Date: _____

Reviewer's Signature: _____

Condo Questionnaire Answer Key

Answer Key

1. All common areas and any recreational facilities must be complete for the project to be acceptable.
2. No single entity may own more than one condominium unit in the condominium project.
Exception for 2-unit condos: One entity may own both units with the following restrictions:
Max LTV = 80.00%
If the current transaction is an investment; the other unit must be a primary or second/vacation. Both units cannot be investment, primary or second homes
3. If yes, obtain details and consider the impact on all units and marketability.
4. If “yes,” obtain details and consider risk.
Examples: (1) HOA suing individual owners for unpaid dues is usually acceptable. (2) HOA being sued for a "slip and fall" liability issue will usually be acceptable, so long as suit will not be for more than general liability insurance coverage. (3) HOA involved in a minor matter is usually acceptable with a review from Wells Fargo project review. (4) HOA suing developer for construction defects are not acceptable.
5. If “yes”, appraiser must address impact on value and marketability.
6. If **any one** unit is more than 30 days, the project is not eligible.
7. See project eligibility requirements in Seller Guide Underwriting
Age Restrictions
First Right of Refusal
Other deed or income restrictions.
8. <= 20%, if more than 20%, the project is not eligible for purchase by MAM.
9. HOA must be the named insured
10. Must be insured to 100%
Deductible cannot exceed 5% of the policy face amount. The total coverage amount should make sense for the size project. Insurance must be in force at loan closing.
11. If “yes”, must carry flood
Must be 100% current replacement or the max available. Deductible cannot exceed \$25,000.
If less than 100% but not less than 80% replacement cost coverage, gap dwelling policy will be required. Less than 80% replacement not eligible.
12. Must be \$1 million per occurrence
13. If “yes”, no individual interior hazard policy is required by the unit owner.
If “no”, interior hazard insurance (walls-in/H06) coverage must be obtained to sufficiently insure everything the unit owner is responsible for: kitchen cabinets, flooring, decorating, lighting fixtures, plumbing fixtures, HVAC systems, built in appliances, and any other improvements necessary.
14. Minimum 10 days
15. Seller must warrant that project is **not** an “ineligible” project.