

**FHA Condominium  
Project Approval  
Questionnaire**

**U.S. Department of Housing  
and Urban Development**  
Office of Housing

**Public Reporting Burden** for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information collection is required to obtain or retain benefits. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of the Chief Information Officer, U.S. Department of Housing and Urban Development, 451 7<sup>th</sup> Street, SW, Washington, DC 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (OMB Number: 2502-0610) Washington, DC 20503. Do not send this completed form to either of the above addresses.

**General:** Review the instructions for guidance on completing the questionnaire. Sections 1, 4, and 5 must be completed by the Mortgagee and, if applicable, the submitter. Sections 2 and 3 must be completed by the Condominium Association/management company and returned to the Mortgagee/submitter.

Condominium Project: \_\_\_\_\_

Review Type:       Full Review       Recertification Review       Phasing Review  
Approval Process:       DELRAP       HRAP

**Section 1: Mortgagee/Submitter Information**

| 1.a. Mortgagee Information |                |                        |               |
|----------------------------|----------------|------------------------|---------------|
| Mortgagee Name:            |                | FHAC Lender ID Number: |               |
| Street Address:            |                |                        |               |
| City:                      | State:         | Zip Code:              | Phone Number: |
| Contact Name:              | Email Address: |                        | Fax Number:   |

| 1.b. Organizational Type of Submitter |                         |                          |                                  |
|---------------------------------------|-------------------------|--------------------------|----------------------------------|
| <input type="checkbox"/>              | Condominium Association | <input type="checkbox"/> | Builder                          |
| <input type="checkbox"/>              | Project Consultant      | <input type="checkbox"/> | Developer                        |
| <input type="checkbox"/>              | Management Company      | <input type="checkbox"/> | Mortgagee                        |
| <input type="checkbox"/>              | Attorney (agent)        | <input type="checkbox"/> | Other Eligible Submission Source |

| 1.c. Submitter          |                |                |                |
|-------------------------|----------------|----------------|----------------|
| Organization Name:      |                | Tax ID Number: | FHA Lender ID: |
| Street Address:         |                |                |                |
| City:                   | State:         | Zip Code:      | Phone Number:  |
| Submitter Contact Name: | Email Address: |                | Fax Number:    |

**Section 2: Condominium Project Information**

| 2.a. Condominium Project |        |                               |
|--------------------------|--------|-------------------------------|
| Legal Name of Project:   |        | FHA Condo Approval ID Number: |
| Street Address:          |        |                               |
| City:                    | State: | Zip Code:                     |

**2.b. Condominium Association**

|                               |                |                            |               |
|-------------------------------|----------------|----------------------------|---------------|
| Condominium Association Name: |                | Association Tax ID Number: |               |
| Street Address:               |                |                            |               |
| City:                         | State:         | Zip Code:                  | Phone Number: |
| Association Contact Name:     | Email Address: | Fax Number:                |               |

**2.c. Management Company**

|                                  |                |                                   |               |
|----------------------------------|----------------|-----------------------------------|---------------|
| Management Company Name:         |                | Management Company Tax ID Number: |               |
| Street Address:                  |                |                                   |               |
| City:                            | State:         | Zip Code:                         | Phone Number: |
| Management Contact Name / Title: | Email Address: | Fax Number:                       |               |

**Section 3: Project Eligibility**

**3.a. Does the Condominium Project, Condominium Unit(s) (Unit) or Common Elements have any of the following features?**

|    |   | Yes                      | No                       |
|----|---|--------------------------|--------------------------|
| 1. | Cooperative ownership   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Condominium hotel or "condotel"   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | Mandatory rental pooling agreements that require Unit owners to either rent their Units or give a management firm control over the occupancy of the Units | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Timeshare or segmented ownership projects   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | Houseboat project   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | Continuing care facility  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. | Multi-dwelling condominiums (more than one dwelling per Unit)   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. | Coastal Barrier Resources System (CBRS) location  | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. | Adverse determination by FHA for significant issues   | <input type="checkbox"/> | <input type="checkbox"/> |

**3.b. Transfer of Control**

|    |   | Yes                      | No                       |
|----|---|--------------------------|--------------------------|
| 1. | Has Control of the Condominium Association been transferred from the developer/builder to the Unit owners?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Date of transfer  |                          |                          |
| 3. | If 3.b.1 is "Yes," do existing contracts entered into by the builder/developer prior to the Transfer of Control contain a 90 Days or less notice requirement for termination?<br><input type="checkbox"/> No contracts exist<br><input type="checkbox"/> Contracts with a 90 Day or less notice requirement exist<br><input type="checkbox"/> Contracts without a 90 Day or less notice requirement exist |                          |                          |

**3.c. Legal Phasing**

|  |  | Yes                      | No                       |
|--|--|--------------------------|--------------------------|
| 1.   | Is the project 100% complete, including all construction or renovation of Units for all Condominium Project Legal Phases? If "No," answer questions 3.c.2 – 3.c.9. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | Have all the Units in the completed Legal Phase(s) been built out and issued at least a Certificate of Occupancy (CO) or its equivalent?                           | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Legal Phases and Units: Planned and Completed</b> |  | <b>Number</b>            |                          |
| 3.   | Total planned Legal Phases for the Condominium Project   |                          |                          |
| 4.   | Completed Legal Phases as evidenced by built out Units and a CO or its equivalent  |                          |                          |

| Legal Phases and Units: Planned and Completed |  | Number |
|---|--|--------|
| 5.  | Number of completed Legal Phases with FHA approval                     |        |
| 6.  | Number of completed Legal Phases submitted for FHA approval            |        |
| 7.  | Total planned Units for Condominium Project                            |        |
| 8.  | Completed Units as evidenced by a CO or its equivalent                 |        |
| 9.  | Units in Legal Phase(s) submitted for FHA Condominium Project Approval |        |

**3.d. Occupancy Requirements by Construction Type**

**Owner-occupied Units includes any Unit:**

- i. occupied by the owner for any portion of the calendar year and that is not rented for a majority of the year;*
- ii. listed for sale, and not listed for rent, that was previously occupied by the owner as described in (i) above; or*
- iii. sold to an owner who intends to occupy the Unit as described in (i) above.*

**A Unit owned by the builder/developer is not an owner-occupied Unit.**

*A non-owner occupied Unit refers to a unit that does not meet the definitions above.*

**1. Existing Construction Occupancy**

| Existing Construction (greater than 12 months old)      | Units in Project |
|---|------------------|
| <b>Total Number of Units in the Condominium Project</b> |                  |
| a. Owner-occupied Units as defined above                |                  |
| b. Non-owner occupied Units as defined above            |                  |

**2. New Construction**

**New Complete Project (less than 12 months old); or  
Legal Phase**

|  |  |
|--|--|
| <b>Total Number of Units in the Condominium Project</b>  |  |
| <i>i. Multi-phased Condominium Project: Include the total number of Units in the first declared Legal Phase and cumulatively on subsequent Legal Phases.</i> |  |
| <i>ii. Single-phased Condominium Project: Include all Units.</i>   |  |
| a. Owner-occupied Units as defined above   |  |
| b. Non-owner occupied Units as defined above   |  |

**3.b. Individual Owner Concentration**

Total number of Units owned by a single owner or Related Party (Related Party includes any individual or Entity related to the Unit owner)

If any single owner or Related Party own more than the number of Units allowed under FHA’s Individual Owner Concentration limit, please complete the information in the table below.

| Individual / Entity Name | Developer/<br>Sponsor    | Number<br>of Units<br>Owned |
|--------------------------|--------------------------|-----------------------------|
|                          | <input type="checkbox"/> |                             |
|                          | <input type="checkbox"/> |                             |

Attach list for additional individual owners as required.

**3.f. Financial Stability and Controls**

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Does the Condominium Association have a reserve account for capital expenditures and deferred maintenance? | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>3.f. Financial Stability and Controls</b> |   | Yes                      | No                       |
|--|---|--------------------------|--------------------------|
| 2.   | Is the reserve account funded as required by FHA?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | Does the Condominium's Association budget show that the budget provides for periodic funding to maintain the reserve account balance as required by FHA?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.   | Is there a reserve study? If "Yes," date performed _____  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.   | Does the Condominium Association maintain separate accounts for operating and reserve funds?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.   | If a management company is used, does the Condominium Association's management company maintain separate records and bank accounts for the Condominium Association?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.   | Does the Condominium Association restrict the management company from drawing checks on, or transferring funds from, the reserve account of the Condominium Association without approval from the Condominium Association?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 8.   | Has the project experienced a Financial Distress Event within the last 36 months: <ul style="list-style-type: none"> <li>• sought protection under bankruptcy laws;</li> <li>• been placed into receivership (mandated or voluntary);</li> <li>• been subject to foreclosure or any seizure of assets by creditors; or</li> <li>• offered a Deed in Lieu (DIL) of Foreclosure?</li> </ul> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9.   | If "Yes" to question 3.f.8., is there a dated legal document evidencing resolution and a letter of explanation describing the cause of the event and measures taken by the Condominium Association to prevent a future event?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 10.  | How many Units are 60 Days or more past due on their Condominium Association fee payments? (Excluding late fees or other administrative expenses)   |                          |                          |

| <b>3.g. Insurance Requirements</b> |   |
|------------------------------------|---|
| 1.                                 | The Condominium Project must have Hazard Insurance, Liability Insurance, Fidelity Insurance, and Flood Insurance. See the "Required Documentation" section. |

| <b>3.h. Commercial/Non-Residential Space</b>                | Square Footage |
|---|----------------|
| 1. Total Square Footage                                     |                |
| 2. Total Square Footage of Commercial/Non-Residential Space |                |
| 3. Total Square Footage of Residential Space                |                |

| <b>3.i. Live/Work</b> |   | Yes                      | No                       |
|-----------------------|---|--------------------------|--------------------------|
| 1.                    | Does the Condominium Project have any Units with non-residential space inside the Unit (Live/Work Units)? | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>3.j. Litigation</b> |  | Yes                      | No                       |
|------------------------|--|--------------------------|--------------------------|
| 1.                     | Is the Condominium Project or Condominium Association subject to pending Litigation? If "Yes," provide a signed and dated explanation. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.                     | Is the Condominium Project or Condominium Association subject to any other litigation risk?  | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>3.k.</b>              | <b>Required Documentation</b>  |
|--------------------------|--|
| 3.b. Transfer of Control | <input type="checkbox"/> recorded Covenants, Conditions, and Restrictions (CC&R), declaration, and/or master deed, and all amendments;<br><input type="checkbox"/> signed and adopted bylaws;<br><input type="checkbox"/> articles of incorporation, articles of association, declaration of trust, or other governing documents, if applicable in accordance with state law; and<br><input type="checkbox"/> any existing contracts entered into by the developer prior to the Transfer of Control and assigned to the Condominium Association. |

| 3.k.                                  | Required Documentation   |
|---------------------------------------|--|
| 3.c. Legal Phasing                    | <input type="checkbox"/> the CO or its equivalent for each Unit in the Legal Phase or a temporary CO or its equivalent.  |
| 3.f. Financial Stability and Controls | <input type="checkbox"/> current year’s budget approved by the Condominium Association board;<br><input type="checkbox"/> year-to-date income and expense statement dated within 90 Days if the prior year-to-date actuals are more than 90 Days old;<br><input type="checkbox"/> the income and expense statement for the previous year’s actual year end results;<br><input type="checkbox"/> current balance sheet dated within 90 Days prior to the date of submission;<br><input type="checkbox"/> if applicable, documentation supporting any loans or special assessments, including information regarding the purpose, term, payment status, total amount of the assessment, amount of the assessment per Unit and overall impact on marketability and value of the Property;<br><input type="checkbox"/> if applicable, a dated legal document evidencing Resolution of Financial Distress Event and a letter of explanation describing the cause of the event and measures taken by the Condominium Association to prevent a future Financial Distress Event; and<br><input type="checkbox"/> if evidence of financial arrangements that guarantee the future completion of all facilities and Common Elements, as applicable. |
| 3.h. Commercial/Non-Residential Space | <input type="checkbox"/> budget and financials;<br><input type="checkbox"/> recorded condominium site plans;<br><input type="checkbox"/> recorded CC&Rs; and<br><input type="checkbox"/> if applicable, exception documentation.   |
| 3.i. Live/Work                        | <input type="checkbox"/> recorded CC&Rs.   |
| 3.k. Leasehold Interest               | <input type="checkbox"/> lease agreement.  |

I certify that I have completed Sections 2 and 3 of the questionnaire using information and resources that, to the best of my knowledge and belief, are correct and reliable, and that I have submitted the required documentation. **WARNING:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Section 4: Eligibility Worksheet for Condominium Project Approval**

| <b>4.a. Legal Phasing</b> |  | Yes                      | No                       |
|---------------------------|--|--------------------------|--------------------------|
| 1.                        | If the answer to 3.c.1 is "No" and the Condominium Project is subject to Legal Phasing, answer the following questions.  |                          |                          |
| 2.                        | Have all the Units in the completed Legal Phase(s) been built out and issued at least a temporary CO or its equivalent?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.                        | Have all completed Legal Phases been approved by FHA?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.                        | If not, are all the completed Legal Phases included in the Condominium Project Approval package?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.                        | Are the completed Legal Phases independently sustainable without future planned Legal Phases, as demonstrated by the budget and financial documentation, such that the submitted Legal Phases of the Condominium Project will not be jeopardized by the failure to complete additional Legal Phases? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.                        | Does the project contain arrangements that guarantee the future completion of all facilities and Common Elements?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.                        | Does the Condominium Project demonstrate positive cash flow from the revenue and expenditures of the completed phases and Common Elements?   | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.b. FHA Insurance Concentration</b> |   | Yes                      | No                       |
|---|---|--------------------------|--------------------------|
| 1.                                      | Does the FHA Insurance Concentration for the Condominium Project meet FHA's maximum insurance concentration standard? | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.c. Occupancy Requirements</b>                     |   |                          |                          |
|--|---|--------------------------|--------------------------|
| 1.   | What is the Owner Occupancy Percentage?   |                          | %                        |
| <b>Existing Construction Projects</b>                  |   | Yes                      | No                       |
| 2.   | Does the Owner Occupancy Percentage meet FHA's minimum requirement? If "No," answer question 4.c.3.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | Percent of Units that are 60 Days or more past due on their Condominium Association fee payments (Units in Arrears) (Excluding late fees or other administrative expenses) The Condominium Project may be eligible for an Owner Occupancy Percentage exception under HUD Review and Approval Process. |                          |                          |
| <b>New Construction: Complete Condominium Projects</b> |   |                          |                          |
| 4.   | Does the Owner Occupancy Percentage meet FHA's minimum requirement for the declared Units in the Condominium Project?   | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.d. Financial Stability and Controls</b> |  | Yes                      | No                       |
|--|--|--------------------------|--------------------------|
| 1.   | Does the Condominium Project have an operating income that demonstrates a stable income stream over the past two years, with decreases that do not exceed FHA's percentage.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | Does the budget demonstrate the ability to cover the cost of insurance coverage and deductibles?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | Is there a reserve account for capital expenditures and deferred maintenance that is funded with at least the minimum percentage of the aggregate monthly Unit assessments required by FHA?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.   | Is there evidence that the budget provides for the periodic funding to maintain a reserve account balance of at least the minimum required by FHA guidelines?<br>If the answer to 4.d.3 or 4.d.4 is "No," answer question 4.d.5. and question 4.d.6. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.   | Is the lower reserve account balance deemed sufficient based upon an acceptable reserve study?<br>Reserve Study Date: _____  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.   | Is the lower funding rate for the reserve account deemed sufficient based upon an acceptable reserve study?  | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.d. Financial Stability and Controls</b> |   | Yes                      | No                       |
|--|---|--------------------------|--------------------------|
| 7.   | Is there evidence that the total number of Units that are 60 Days or more past due on their Condominium Association fee payments does not exceed the FHA percent limit? (Excluding late fees or other administrative expenses)  | <input type="checkbox"/> | <input type="checkbox"/> |
| 8.   | Are the financial records consistent with the application package, including special assessments, loans, or other financial variations?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 9.   | If there has been a Financial Distress Event for the Condominium Project or builder/developer, has the cause been resolved and is it unlikely to recur?<br><input type="checkbox"/> Condominium Project. If "Yes," provide resolution date: _____<br><input type="checkbox"/> Builder/developer. If "Yes," provide resolution date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.e. Individual Owner Concentration</b> |  | Yes                      | No                       |
|--|--|--------------------------|--------------------------|
| 1.   | Does the Individual Owner Concentration exceed the FHA limit? Individual Owner Concentration includes single owner or Related Party. | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.f. Commercial/Non-Residential Space</b> |   | Yes                      | No                       |
|--|---|--------------------------|--------------------------|
| 1.   | Does the Condominium Project's Commercial/Non-Residential Space exceed the maximum percent allowed by FHA? If "Yes," proceed to questions 4.f.2. and 4.f.3.           | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | Does the Condominium Project's Commercial/Non-Residential Space within FHA's percentage range that would allow to seek an exception? If "Yes," answer question 4.f.3. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | Based upon the analysis of additional required documentation, does the Condominium Project maintain its residential character?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.   | Are the Residential and Commercial/Non-Residential Spaces independently sustainable such that neither portion of the project is financially reliant on the other?     | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.g. Live/Work</b> |  | Yes                      | No                       |
|-----------------------|--|--------------------------|--------------------------|
| 1.                    | If the project has Units with non-residential space (Live/Work Units), does the square footage for the non-residential floor area of the Live/Work Unit exceed FHA guidelines? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.                    | If applicable, do the governing documents allow Live/Work arrangements?  | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.h. Insurance Requirements</b> |  | Yes                      | No                       |
|------------------------------------|--|--------------------------|--------------------------|
| 1.                                 | <b>Hazard Insurance:</b> Does the Condominium Association have a master or blanket Hazard Insurance policy in an amount equal to at least 100% of the insurable replacement cost of the Condominium Project, including the individual Units in the Condominium Project?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.                                 | <b>Liability Insurance:</b> Does the Condominium Association have comprehensive Liability Insurance for the entire Condominium Project, including all Common Elements and areas, public ways, and other areas that are under its supervision, in the amount of at least \$1 million for any single occurrence? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.                                 | <b>Fidelity Insurance:</b> Does the Condominium Association maintain Fidelity Insurance for all officers, directors, and employees of the Condominium Association and all other persons handling or responsible for funds administered by the Condominium Association?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.                                 | <b>Fidelity Insurance:</b> Is the Fidelity Insurance the greater of: three months of aggregate assessments on all Units plus reserve funds; or the minimum amount required by state law?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.                                 | <b>Fidelity Insurance:</b> Does the policy (policies) demonstrate that they specifically meet the standard for both the Condominium Association and the management company?  | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.h. Insurance Requirements</b> |   | Yes                      | No                       |
|------------------------------------|---|--------------------------|--------------------------|
| 6.                                 | <p><b>Flood Insurance:</b> Are Units or Common Elements located in a Special Flood Hazard Area (SFHA)?<br/>                     If "Yes," Flood Insurance is in force equaling (select only one option below):</p> <p><input type="checkbox"/> 100% replacement cost;<br/> <input type="checkbox"/> Maximum coverage per Unit available under the National Flood Insurance Program (NFIP);<br/>                     or<br/> <input type="checkbox"/> Some other amount (enter amount here) \$_____.</p> | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.i. Special Flood Hazard Areas</b> |  | Yes                      | No                       |
|--|--|--------------------------|--------------------------|
| 1.                                     | <p>If any portion of the Structures or equipment essential to the value of the Complete Condominium Project is located within an SFHA, does the Condominium Project have any of the following:</p> <p><input type="checkbox"/> a final Letter of Map Amendment (LOMA) or final Letter of Map Revision (LOMR) from Federal Emergency Management Agency (FEMA) that removes the Property from the SFHA; or<br/> <input type="checkbox"/> a FEMA National Flood Insurance Program Elevation Certificate (FEMA Form 086-0-33) prepared by a licensed engineer or surveyor documenting that the lowest floor, including the basement of the residential building(s), and all related improvements/equipment essential to the value of the Property are built at or above the 100-year flood elevation in compliance with the NFIP criteria, and insurance under the NFIP.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.                                     | <p>If any portion of the Structures or equipment essential to the value of the Manufactured Housing Condominium Project for both new and existing Manufactured Homes is located within an SFHA, have one of the following items been submitted?</p> <p><input type="checkbox"/> if applicable, FEMA LOMA;<br/> <input type="checkbox"/> if applicable, FEMA LOMR; or<br/> <input type="checkbox"/> if applicable, FEMA Form 086-0-33.</p>  |                          |                          |

| <b>4.j. Leasehold Interest</b> |   | Yes                      | No                       |
|--------------------------------|---|--------------------------|--------------------------|
| 1.                             | Does the Condominium Project have Common Elements owned under a Leasehold Interest? If "Yes," answer 4.j.2. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.                             | Does the lease comply with FHA's leasehold guidance?  | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.k. Contracts and Recreational Leases/Easements</b> |  | Yes                      | No                       |
|---|--|--------------------------|--------------------------|
| 1.  | If the answer to 3.b.3 regarding existing contracts is "Yes," answer 4.k.2 and 4.k.3.  |                          |                          |
| 2.  | If the Condominium Association employs the services of a management company, does the Management Agreement allow the Condominium Association to terminate the contract with no more than 90 Days' notice?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.  | If the Condominium Association has any contracts entered into by the builder/developer prior to the Transfer of Control and subsequently assigned to the Condominium Association, do the contracts allow the Condominium Association to terminate the contracts with no more than 90 Days' notice? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.  | Does the Condominium Project have a Recreational Lease/Easements? If "Yes," answer 4.k.5 and 4.k.6.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.  | Is the property owner a nonprofit Entity under the Control of the Condominium Association?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.  | Does each Unit owner have the right to opt out of membership with no more than 90 Days' notice and without penalty?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.  | If 4.k.5 and 4.k.6 are "Yes," then the Recreational Lease/Easement meets the standards.  |                          |                          |



| <b>4.l. Litigation</b> |  | Yes                      | No                       |
|------------------------|--|--------------------------|--------------------------|
| 1.                     | If the answer to question 3.j.1 or 3.j.2 is "Yes," answer 4.l.2 – 4.l.11.  |                          |                          |
| 2.                     | If there is Litigation, is it related to the safety, structural soundness, habitability, or functional use of the Condominium Project?   | <input type="checkbox"/> | <input type="checkbox"/> |
|                        |  | <b>Date</b>              |                          |
| 3.                     | What is the anticipated settlement or judgement date, if applicable?   |                          |                          |
|                        |  | <b>Yes</b>               | <b>No</b>                |
| 4.                     | If applicable, is there sufficient insurance coverage to pay out a settlement/judgement without affecting the Financial Stability of the project?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.                     | Could legal action impact the future solvency of the HOA? If "Yes," provide a letter of explanation.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.                     | Could the ability of homeowners to transfer title be affected? If "Yes," provide a letter of explanation.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.                     | Could the action impact the homeowners' rights?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 8.                     | Have any required repairs or remedial work to address the issues (i.e. safety, structural soundness, habitability, or functional use of the Condominium Project) been scheduled?                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| 9.                     | What is the schedule for completion?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 10.                    | Have repairs started?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 11.                    | Is the Condominium Project or Condominium Association subject to any other litigation risk not covered by insurance or that exceeds the amount of insurance coverage relating to the potential losses for that matter? | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.m. Legal Restrictions on Conveyance</b> |  | Yes                      | No                       |
|--|--|--------------------------|--------------------------|
| 1.   | Does the Condominium Project contain Units encumbered by restrictions on conveyance in violation of the requirements contained in 24 CFR § 203.41, subject to certain enumerated exceptions provided below? If "Yes," Mortgagee should provide lease and any other documentation required to comply with FHA's leasehold guidance. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | Are all of the leases in writing and subject to the declaration and bylaws of the Condominium Project?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | Does the lease allow the Condominium Association to request and receive a copy of the sublease or rental agreement?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.   | Does the lease allow the Condominium Association to request the name(s) of all tenants including the tenants' family members who will occupy the Unit?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.   | Does the lease prohibit Unit owners from leasing their Units for an initial term of less than 30 days?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.   | Does the lease allow the Condominium Association to establish a maximum allowable lease term?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.   | Does the lease allow the Condominium Association to establish a maximum number of rental Units within the project? If "Yes," answer 4.m.8.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8.   | If there is a maximum percentage of rental units, does it exceed the current FHA condominium project owner-occupancy requirement?  |                          |                          |
| 9.   | Does the lease allow the Condominium Association to establish a maximum allowable lease term?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10.  | Does the lease prohibit the Condominium Association from requiring that a prospective tenant be approved by the Condominium Association and/or its agent(s), including but not limited to meeting creditworthiness standards?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 11.  | Does the lease give the Condominium Association the right of first refusal to purchase or lease any Unit without violating discriminatory conduct prohibitions under the Fair Housing Act regulations at 24 CFR part 100?  | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.m. Legal Restrictions on Conveyance</b> |   | Yes                      | No                       |
|--|---|--------------------------|--------------------------|
| 12.  | Does the Condominium Project have legal restrictions on conveyance for affordable housing Units? If "Yes," answer 4.m.13-15.                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 13.  | If it is it an eligible government or nonprofit affordable housing program, does it meet the exceptions defined in 24 CFR § 203.41 (c) and (d)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 14.  | Are the affordable housing Units identified by recorded legal documents that specify the Units that are covered under the program?              | <input type="checkbox"/> | <input type="checkbox"/> |
| 15.  | Does the Condominium Project have private transfer fee covenants that comply with Excepted Transfer Fee Covenants as provided in 12 CFR § 1228? | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.n. New Construction: Complete Condominium Project</b> |   | Yes                      | No                       |
|--|---|--------------------------|--------------------------|
| 1.   | Is the Condominium Project or Legal Phase a Complete Condominium Project or a Complete Legal Phase? If "Yes," answer 4.n.2.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | Has a Form HUD-92541 that is signed and dated been submitted?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | If question 4.n.3 is "Yes," does the Form HUD-92541 show any issues noted by the builder/developer and proposed mitigation plans?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.   | If no Units have closed in the Condominium Project, has the additional Financial Condition Required Documentation with a proposed budget been submitted?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.   | If no Units have closed in the Condominium Project, have the insurance requirements been met with either: a builder's policy or Hazard Insurance, Liability Insurance, and Fidelity Insurance policies? If any Unit has closed, all minimum Insurance Coverage is required. | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.   | If the Condominium Project is a Non-Gut Rehabilitation (Non-Gut Rehab), is there a reserve study prepared by a qualified, independent third party that is less than 36 months old?  | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.o. New Construction: Completed Condominium Project and Newly Converted: Gut Rehab</b> |   | Yes                      | No                       |
|--|---|--------------------------|--------------------------|
| 1.   | What is the recordation date for the newly converted Condominium Project's legal documents?                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | Does the Gut Rehabilitation (Gut Rehab) Condominium Project meet the general FHA Condominium Project Approval Requirements? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | Does the Gut Rehab Condominium Project meet the New Construction standards?   | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.p. Newly Converted: Non-Gut Rehab</b> |   | Yes                      | No                       |
|--|---|--------------------------|--------------------------|
| 1.   | If the Condominium Project is a Non-Gut Rehab, have all the rehabilitation work and repairs been completed?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | If the Condominium Project is a Non-Gut Rehab, does it meet the standards for Existing Construction?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | If the Condominium Project is a Non-Gut Rehab, is there a reserve study prepared by a qualified, independent third party that is less than 36 months old? | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.q. Two- to Four-Unit</b> |   | Yes                      | No                       |
|-------------------------------|---|--------------------------|--------------------------|
| 1.                            | Does state law require the creation of an annual budget or annual financial statements?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.                            | Is the project 75% owner occupied?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.                            | Are there Units that are 60 Days or more past due on their Condominium Association fee payments? (Excluding late fees or other administrative expenses) | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.r. Manufactured Home Condominium Project</b> |  | Yes                      | No                       |
|---|--|--------------------------|--------------------------|
| 1.  | Is the Manufactured Home Condominium Project being processed under HRAP? | <input type="checkbox"/> | <input type="checkbox"/> |

| <b>4.s. Required Documentation</b>                   |   |
|--|---|
| 4.a. Legal Phasing                                   | <input type="checkbox"/> completed FHA Condominium Project Approval Questionnaire;<br><input type="checkbox"/> the CO or its equivalent for each Unit in the Legal Phase; or<br><input type="checkbox"/> a temporary CO or its equivalent.  |
| 4.c. Occupancy Requirements                          | <input type="checkbox"/> the FHA Condominium Project Approval Questionnaire.  |
| 4.d. Financial Stability and Controls                | <input type="checkbox"/> the FHA Condominium Project Approval Questionnaire;<br><input type="checkbox"/> current year's budget approved by the Condominium Association board;<br><input type="checkbox"/> year-to-date income and expense statement dated within 90 Days if the prior year-to-date actuals are more than 90 Days old;<br><input type="checkbox"/> income and expense statement for the previous year's actual year end results;<br><input type="checkbox"/> current balance sheet dated within 90 Days prior to the date of submission;<br><input type="checkbox"/> if applicable, documentation supporting any loans or special assessments, including information regarding the purpose, term, payment status, total amount of the assessment, amount of the assessment per Unit and overall impact on marketability and value of the Property;<br><input type="checkbox"/> if applicable, a dated legal document evidencing Resolution of Financial Distress Event and a letter of explanation describing the cause of the event and measures taken by the Condominium Association to prevent a future Financial Distress Event; and<br><input type="checkbox"/> evidence of financial arrangements that guarantee the future completion of all facilities and Common Elements, as applicable. |
| 4.f. Commercial/Non-Residential Space                | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire;<br><input type="checkbox"/> current year's budget approved by the Condominium Association board;<br><input type="checkbox"/> year-to-date income and expense statement dated within 90 Days if the prior year-to-date actuals are more than 90 Days old;<br><input type="checkbox"/> income and expense statement for the previous year's actual year end results;<br><input type="checkbox"/> current balance sheet dated within 90 Days prior to the date of submission;<br><input type="checkbox"/> if applicable, documentation supporting any loans or special assessments, including information regarding the purpose, term, payment status, total amount of the assessment, amount of the assessment per Unit and overall impact on marketability and value of the Property;<br><input type="checkbox"/> if applicable, a dated legal document evidencing Resolution of Financial Distress Event and a letter of explanation describing the cause of the event and measures taken by the Condominium Association to prevent a future Financial Distress Event; and<br><input type="checkbox"/> evidence of financial arrangements that guarantee the future completion of all facilities and Common Elements, as applicable.     |
| 4.g. Live/Work                                       | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire; and<br><input type="checkbox"/> recorded CC&Rs.  |
| 4.h.1 Insurance Requirements – Hazard Insurance      | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire; and<br><input type="checkbox"/> certificate of insurance or a complete copy of the insurance policy.   |
| 4.h.2 Insurance Requirements – Liability Insurance   | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire; and<br><input type="checkbox"/> certificate of insurance or a complete copy of the insurance policy.   |
| 4h.3 - 5 Insurance Requirements – Fidelity Insurance | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire; and<br><input type="checkbox"/> certificate of insurance or a complete copy of the insurance policy from the Condominium Association and/or from the management company.   |

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|--|---|
| 4.h.6 Insurance Requirements – Flood Insurance | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire;<br><input type="checkbox"/> FEMA flood map with the Condominium Project location clearly marked;<br><input type="checkbox"/> if applicable, the certificate of insurance or a complete copy of the NFIP policy; and<br><input type="checkbox"/> if applicable, the LOMA, LOMR, or elevation certificate.   |
| 4.i. Special Flood Hazard Areas                | <input type="checkbox"/> if applicable, FEMA LOMA;<br><input type="checkbox"/> if applicable, FEMA LOMR; or<br><input type="checkbox"/> if applicable, FEMA Form 086-0-33.  |
| 4.j. Leasehold Interest                        | <input type="checkbox"/> lease agreement; and<br><input type="checkbox"/> any other documentation required by the Mortgagee to comply with FHA’s leasehold guidance.  |
| 4.f. Commercial/Non-Residential                | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire;<br><input type="checkbox"/> budget and financials;<br><input type="checkbox"/> recorded condominium site plans;<br><input type="checkbox"/> recorded CC&Rs; or<br><input type="checkbox"/> if applicable, exception documentation.<br>Exception documentation:<br><input type="checkbox"/> an opinion from a certified residential appraiser that addresses market;<br><input type="checkbox"/> acceptance of the Condominium Project as residential in character;<br><input type="checkbox"/> a current market study performed by an independent third party that addresses factors relating to the economy for the locality of the Condominium Project or specific to the Condominium Project; and<br><input type="checkbox"/> the total number of residential Units in the Condominium Project.   |
| 4.k. Contracts                                 | <input type="checkbox"/> current, executed Management Agreement must be submitted;<br><input type="checkbox"/> FHA Condominium Project Approval Questionnaire; and<br><input type="checkbox"/> copies of contracts entered into by the builder/developer prior to the Transfer of Control.  |
| 4.k. Recreational Leases/Easement              | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire; and<br><input type="checkbox"/> leases, Easements, or contracts for use of recreational facilities.  |
| 4.l. Litigation                                | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire;<br><input type="checkbox"/> a signed and dated explanation from the Condominium Association, management company, or an attorney representing the Condominium Association that includes at least the following information: <ul style="list-style-type: none"> <li>• reason(s) for the Litigation;</li> <li>• risk of the Litigation;</li> <li>• anticipated settlement/judgment date, if any;</li> <li>• sufficiency of insurance coverage to pay out a settlement/ Judgment, if applicable; and</li> <li>• impact of the Litigation on the future solvency of the Condominium Association; and</li> </ul> <input type="checkbox"/> the following documents, which must be attached to the signed and dated explanation, if applicable: <ul style="list-style-type: none"> <li>• complaint filed with the court, arbitrator, or mediator; and</li> <li>• all engineering or expert reports commissioned by the Condominium Association or their attorneys, which must include evidence of the safety, structural soundness, habitability, or functional use of the Condominium Project and evidence of the cost of the repair of any construction defect and status of the repairs.</li> </ul> |
| 4.m. Legal Restrictions on Conveyance          | <input type="checkbox"/> FHA Condominium Project Approval Questionnaire; and<br><input type="checkbox"/> recorded legal documents.  |

|  |  |
|--|--|
| <p>4.n. New Construction: Complete Condominium Project</p>                                 | <p><input type="checkbox"/> Form HUD-92541, <i>Builder’s Certification of Plans, Specifications, &amp; Site</i> signed and dated;</p> <p><input type="checkbox"/> additional documentation demonstrating mitigation of any issues noted in Form HUD-92541 including the State Licensed engineers’ (soil and structural) reports, designs, and/or certifications to ensure the structural soundness of the improvements and the health and safety of the occupants;</p> <p><input type="checkbox"/> a copy of the builder’s policy or the required documentation in Insurance Coverage;</p> <p><input type="checkbox"/> a CO or its equivalent; and</p> <p><input type="checkbox"/> photographs of each building.</p> |
| <p>4.o. New Construction: Completed Condominium Project and Newly Converted: Gut Rehab</p> | <p><input type="checkbox"/> FHA Condominium Project Approval Questionnaire;</p> <p><input type="checkbox"/> an engineering or architectural inspection, dated within 12 months, evidencing all rehabilitation work/repairs have been completed; and</p> <p><input type="checkbox"/> a CO or its equivalent.</p>  |
| <p>4.p. Newly Converted: Non-Gut Rehab</p>   | <p><input type="checkbox"/> FHA Condominium Project Approval Questionnaire;</p> <p><input type="checkbox"/> reserve study; and</p> <p><input type="checkbox"/> evidence that all rehabilitation work/repairs have been completed.</p>  |
| <p>4.q. Two- to Four-Unit</p>  | <p><input type="checkbox"/> annual budget, financial statements or memorandum of understanding, if applicable; and</p> <p><input type="checkbox"/> documented evidence that each unit is separately owned with a separate legal description.</p>   |
| <p>4.r. Manufactured Home Condominium Project</p>  | <p><input type="checkbox"/> FHA Condominium Project Approval Questionnaire.</p>  |

**Section 5: Worksheet Certification and Signature**

I certify that I have reviewed the information provided in Sections 1, 2, 3 and 4 and the required supporting documentation to confirm project approval requirements have been met. In addition, I certify the information and analysis provided in Section 4 is accurate to the best of my knowledge and belief and that the required documentation has been submitted. **WARNING:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

**5.a. Submitter Certification**

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature and Date Signed

**5.b. Mortgagee Certification**

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature and Date Signed

\_\_\_\_\_  
Mortgagee Name