

CHAPTER 13. ACCEPTANCE OF CONDOMINIUM
UNITS FOR MORTGAGE INSURANCE IN PROJECTS
THAT HAVE BEEN APPROVED FOR LOAN GUARANTY
BY THE ADMINISTRATOR OF VETERANS AFFAIRS

- *13-1. INTRODUCTION. The Housing and Community Development Act Of 1980 authorizes the Department to insure, under Section 234(c) of the National Housing Act, individual unit mortgages in condominium projects which have been approved for guaranty or for a direct loan by the Veterans Administration (VA).
- 13-2. Condominium Projects Approved by VA. VA Certificates of Reasonable Value (CRV), Master CRVs or project listings indicating VA approval will serve as evidence that the condominium project has been VA approved.
- a. The CRV for a condominium unit shall also be accepted by the Field offices as the basis for establishing value, mortgage term, and specific conditions in issuing the firm commitment. To be eligible for processing, the mortgagee's application must involve a known borrower and include a completed Form HUD-92800, Mortgagee's Application for Property Appraisal and Commitment for Mortgage Insurance under the National Housing Act. The application Form HUD-92800 and Form HUD-92900 must be sent to the Field Office with all required exhibits, the CRV, and evidence of compliance with any VA requirements that must be met as if the VA were to guarantee the loan.
 - b. Applications for mortgage insurance that originate with HUD and are in a VA approved project must meet the usual requirements for appraising single family residences with respect to establishing value, mortgage term and specific conditions. A 70 percent presale requirement will be made a condition of the commitment. In the case of a conversion from a rental project to a condominium project, a structural and mechanical component statement from an architect or engineer as to the acceptability of these items will be made a condition of the commitment. A minimum of ten years remaining useful life is required on all structural and mechanical components. In declarant controlled projects, a statement by the local authority on the adequacy of off-site utilities servicing the site is also required.
 - c. Should a deficiency be discovered in VA processing of the project, the office is not to stop accepting applications and processing cases involving individual units. Rather, the local office should immediately advise the office of VA, which has provided the approval, of the deficiency. If corrective action is not taken by that office to preclude a *

(13-2) recurrence, the Field Office should advise the Deputy Assistant Secretary for Single Family Housing and Mortgage Activities, in writing, of the problem. If the deficiency is of an emergency nature and the Field Office Director/Supervisor wishes approval to cease processing immediately, such a request may be made by telephone to the Director, Single Family Development Division. *

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FORMS APPENDIX

The following model forms are subject to revision from time to time and before they are used care should be taken to check for the most recent revision.

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