



**CONDO
CHANGES
2022**



- ***Mortgage Professional with over 19 Years of mortgage experience!***
- ***Has helped thousands of customers buy a new home!***
- ***Top 1% mortgage pro in the US!***
- ***Active participant in the real estate community:***
 - ***2017 Greater Boston Association of Realtors Affiliate of the Year***
 - ***2016 – 2021 Affiliate Committee***
 - ***2022 – GBAR RPAC Committee***
 - ***2022 – NEAR Education and YPN Committee***
 - ***2021 – NSR GA Committee***
 - ***2022 – NSR Homebuyer Education & Steering Committee***
 - ***Subject Matter Expert and Contributor MA Realtor Educational CE's***
- ***President National Association of Mortgage Brokers (2018 – 2019)***
- ***NAMB GA Chair, NAMB VA Chair***
- ***Nationally recognized VA Home Loan Subject Matter Expert & Educator***



Little about Caliber:

- Number 2 Non-Bank Purchase Originator in US! – WE LOVE HELPING YOU BUY A HOME!
- Internal Condominium team w/ FULL Fannie Mae, Freddie Mac, and DELRAP (FHA) authority.
- Top 3 Lender Overall Volume
- Top 2 Lender Overall VA Home Loan
- Top 2 Lender Overall FHA
- Number 1 Overall Lender to our Latino & Hispanic communities
- \$657 Billion Servicing Portfolio
 - Borrowers LOVE this! Need to think about where your client goes!
- Incredible Technology
 - Borrower has own mobile app for easy doc uploading!
 - Agents get their own mobile app to track your pipeline!
- 95% of all loans we originate we service!
- ONLY Non-Bank Lender in the United States SELF-FUNDING Non-Qualified Mortgages!



Condominiums OH MY!



Should I be concerned.....



What has changed?

- Due to the tragic collapse of The Surfside Condominium on 6/24/2021; Fannie Mae and Freddie Mac have issued “temporary condominium and cooperative project requirements”.
- Property Management Companies and Condominium Associations are now being held to a higher standard in regard to deferred maintenance and special assessments via a “Condominium Questionnaire Addendum” that is now required to be answered on MOST condominium properties. Fannie Mae 1076A / Freddie Mac 476A



What condo types are impacted?

- **New Developments**
- **Established Developments**
- **Gut & Non-Gut Conversions**
- **5 Units or More**
- **Townhome, Garden Style, High-Rise, and Low-Rise**



Which condominiums are exempt?

- **2 – 4 Unit Condominium Properties are EXEMPT!**
- **Detached Condominium Properties are EXEMPT!**
- **Agency owned “no-cash out” refinance for Freddie Mac and Fannie Mae**
- **Freddie Mac Refi Possible are EXEMPT**



Referral Partners EDUCATE your CUSTOMERS!

- Greater attention to detail on listings
 - Please collect ALL condo related documents
 - Master Deed, Dec of Trust, By-Laws, Budget, MCOI, Rules & Regulation
 - Enter Association name on ALL listings
 - Collect association/management contact info
- Education of prospective buyers
- Education of prospective sellers
- Closing delays MIGHT happen
- Consider special verbiage in all offers/P&S
- Ask a LOT of property related questions



Helpful Information to know....

- Policies do NOT apply to routine maintenance or repairs that a homeowners' association (HOA) undertakes to maintain or preserve the integrity and condition of the property.
- Policies do not apply to isolated or a few units and that those units do not affect the overall safety, soundness, structural integrity, or habitability of the property.
- Lenders must document ALL special assessments.
- Fannie Mae is recommending review of the last 6 mo of HOA meeting minutes. Some lenders may implement.
- Appraisals will not be allowed to determine if the subject property meets the review requirements.
- Special assessments w/ more than 10 mo payments remaining is part of income calculation (not new but relevant).
- FHA / VA / USDA have not changed their guidelines.
- 10% Reserve requirement is going to be heavily scrutinized as it's considered an indicator to potentially adverse and serious deferred maintenance possibilities



Stuff to think about.....

- Consider condominium financing to be a NICHE. Referring customers to “Lender A/B/C” just because might NOT be a good idea. The betterment of the customer is our fiduciary responsibility!
- Does your LENDER have a FULL Condo Approval team?
- FHA and VA could very WELL be a better option; well, VA is always the BEST OPTION, hands down and twice on SUNDAY!
- Responsiveness of the management company? BIGGEST cause for delays! Address that up FRONT!!!
- GOOD possibility SOME management / associations will CHOOSE NOT to answer the NEW addendum! This is an ongoing issue across the US! HUGE PROBLEM! Might want to ask this up front on your listings!
- Special Assessments will NOT count towards 10% Reserve Requirements!



Richard M. Bettencourt Jr. CVLS, CRMS

Area Sales Manager

Caliber Home Loans

(978) 979-0883

Rick.Bettencourt@CaliberHomeLoans.com

www.RickMortgage.com