

ANNOUNCEMENT.....Revised...#09-17, June 16, 2009

To: All Michigan Mutual, Inc. Brokers

Re: HUD Mortgagee Letter 2009-19 FHA Site Condominiums and FHA Condominium Approval Process
Revision noted in bold print below.

In accordance with the passage of the Housing and Economic Recovery Act (HERA) of 2008, the Federal Housing Administration (FHA) has made changes to the current approval process for Condominium Projects.

Site Condominiums:

Site Condominiums are single family detached dwellings encumbered by a declaration of condominium covenants or condominium form of ownership. **Effective with new FHA case number assignments issued on or after June 12, 2009** Condominium Project approval is not required for Site Condominiums; however, the Condominium Rider to the Mortgage (Deed of Trust) must be fully executed at closing.

NOTE: If the word "Condominium" is used in the legal description on a single family residence the property is a Site Condominium and the Condominium Rider is required. There is a difference between a detached condominium and a site condominium. The appraiser must clarify on the appraisal report if the subject property is a single family residence ("site condominium") or a detached condominium. **The appraisal must be completed on Fannie Mae form 1073 if the subject property is a Site Condominium, in addition to an attached condominium or detached condominium.**

"Spot Loan" Approval Process:

The Spot Loan Approval process as defined in Mortgage Letter 1996-41 is being eliminated with all new case number assignments on or after October 1, 2009. HUD has instituted a new condominium approval process that will become effective after this date. Further procedures will be issued closer to the October effective date. In the mean time Michigan Mutual will continue to underwrite HUD approved condominiums (the link to HUD's website is below). Any Condominium Approval conditions reflected on the FHA Connection must be provided. MMI will continue to underwrite under the current spot loan approval process for case number assignments issued prior to October 1, 2009.

To check for FHA-approved condominium projects click on the below link:

<https://entp.hud.gov/idapp/html/condlook.cfm>

Enter the appropriate criteria for your sure and make sure "Status" is set to "all" as only approved projects are eligible (any project reflected as withdrawn or rejected required HUD/FHA approval)

condominiums

The Condominiums page allows users to search for FHA-approved condominium projects by location, name, or status. These properties are not for sale by the FHA. The search can be configured to find specific types of projects through the use of the pull-down menus and entry fields. Detailed [help](#) is available online or contact the [Single Family Administrator](#).

Sorted by:

Field Office:

State:

Condo ID:

Condo Name:

City:

Zip Code:

Status:

Please feel free to contact client relations or your account executive with any questions.

As always we appreciate and value your business!