

FHA CONDOMINIUM CHECK LIST FOR SPOT LOAN APPROVALS

(to be completed by the Homeowners Association to be answered "True or False")

- _____ 1. The legal documents of the homeowners association do not contain a right of first refusal or restrictive covenant.
- _____ 2. The unit is part of a condominium regime that provides for common and undivided ownership of common areas by unit owners.
- _____ 3. The project, including the common elements, and those of Master Association, are complete, and the project is not subject to additional phasing or annexation.
- _____ 4. There are no special assessments pending.
- _____ 5. No legal action is pending against the condominium association, or its officers or directors.
- _____ 6. The common areas have been under the control of the homeowners association for at least one year.
- _____ 7. At least 90 percent of the total units in the project have been sold.
- _____ 8. At least 51 percent of the total units in the project are owner-occupied.
- _____ 9. There are no adverse environmental factors affecting individual units or the project as a whole.
- _____ 10. No single entity owns more than 10% of the total units in the project.
- _____ 11. The units in the project are owned in fee simple or the units are held under a leasehold agreement. (Must attach copy of Leasehold)
- _____ 12. The owners association has adequate common area insurance coverage. general liability, replacement coverage, etc. reflects the character, amenities and risks of the particular development. Flood and other insurances carried, when applicable.
- _____ 13. General maintenance level of common elements is acceptable and there is no deferred maintenance.
- _____ 14. The owners association has a reserve plan and a reserve fund, separate from the operating account, that is adequate to prevent deferred maintenance. The amount of the fund is \$_____ as of _____.
- _____ 15. (a) For projects consisting of over 30 units, no more than 10% of the total units are encumbered by FHA insured mortgages.

_____ (b) For projects consisting of 30 units or less, no more than 20% of the total units are encumbered by FHA insured mortgages.

Condominium Project Name

Homeowners Association Representative Signature

Date

Homeowners Assoc Rep Name and Title

Phone

Address

Fax

Address

FOR MICHIGAN MUTUAL USE

FHA Case Number

Verified the project is not shown in the FHA Connection as Approved, Pending, Rejected or Withdrawn.

MMI Underwriter Signature

Date