

REQUIREMENTS FOR LENDER FULL REVIEW OF ESTABLISHED, NEW CONSTRUCTION AND  
GUT REHAB CONVERSIONS CONVENTIONAL LOANS

To qualify, a project must meet the following criteria:

1. All new construction and new conversion projects located in Florida must be submitted to Fannie Mae for Condominium approval known as PERS. In addition, all new conversion projects that are non gut rehabs also require PERS approval.
2. In order to be considered an Established project (FNMA Type S), a project must be complete with no additional phasing, control of the project has turned over to unit owners from Developer and 90% of the units must be conveyed (closed). Fannie Mae will consider a project as established with less than 90% of the units sold to unit purchasers, if Developer has no more than 20% of the total units held back for rentals as long as these units fees are current and there are no special assessments. Freddie Mac requires at least 75% conveyed. All other projects would be classified as FNMA Type R/FHLMC New.
3. All units, common elements, and facilities within the project, or legal phase must be 100% complete.
4. The condominium documents must comply with the Legal Guidelines for Type R/New projects. This is determined through a review of the constituent documents.
5. For new projects, at least 50% of units in the project or subject legal phase together with all prior legal phases, must be conveyed or under contract to principal residence or second home buyers.
6. For established condominiums, at least 50% of the total units must have been conveyed to principal residence or second home. However this requirement shall not apply to primary or second home loans.
7. No single entity, other than units owned by developer still for sale, may own more than 25% of the units for Freddie loans or 20% of the units for Fannie Loans. If a project consists of 2-4 units, no one can own more than 1 unit, 5-20 unit projects no more than 2 units. The fidelity, hazard including confirmation of wind, liability and flood insurance requirements must be met.
8. If the master or blanket insurance policy **does not provide coverage for the interior of the unit**, the borrower will be required to obtain a **“walls in” coverage policy** (commonly known as HO-6 insurance policy).
9. The condominium must be well managed. No more than 15% of the unit owners can be more than 60 days delinquent. The budget must be adequate and provides for funding of replacement reserves for capital expenditure and deferred maintenance in the amount of at least 10% of the budget.
10. No more than 35% of the total square footage of the project can be used for nonresidential purposes.
11. The units in the project must be owned fee simple or if in a leasehold, the lease and any amendments to the lease must be provided.
12. All facilities and amenities related to the project must be owned by the unit owners or the homeowners association and not subject to a lease. No mandatory club membership fees allowed unless amenities are owned exclusively by the HOA or Master Association.
13. **The fee for an established condominium review is \$200; new construction review is \$500. Fee must be provided at the time the review is requested. Sorry NO credit cards.**

CHECKLIST OF ITEMS

- **PLEASE INCLUDE** this checklist along with your contact information including phone and email address.
- **DEPENDING ON VOLUME AND COMPLEXITY**, this review may take several business days.We strive to respond as quickly as possible, and may request further information, as circumstances dictate.
- **TOTAL GUT REHABILITATION CONVERSION reviews will require a summary list from the Developer of all work done with costs there of.**

Lender Name: Loan Number:

Submitted by: Phone #: Email:

Condominium Questionnaire	Appraisal of subject unit
Current annual budget	Balance sheet within past 90 days
First 4 pages of Declaration of Condominium Sometimes known as Master Deed or CCR’s	Insurance certificate for applicable types
	DU or LP Findings

For New Construction or New Gut Rehab conversions only.

Declaration of Condominium including Amendments and Bylaws for both Subject & Master Association	Presale Form
Site Plan	Master Association current budget
	Insurance for Master Association

The address for overnights is:

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