



USDA Matrix

Revised 5/3/2022

Site Condominium Eligibility

Project approval may not be required for site condominiums if they meet the following criteria:

- Single Family totally detached dwelling encumbered by a declaration of condominium covenant or condominium form of ownership
- The unit has no shared garage or any other attached buildings (i.e., archways, breezeways, common walls, etc)
- The condominium unit consists of the entire structure, site and air space and is not considered to be common areas or limited common areas

Appraisal data is collected on URAR FNMA Form 1004/FHLMC Form 70. A Condominium Rider must supplement the Mortgage or Deed of Trust. Insurance and maintenance costs will be the responsibility of the unit owner. Site condominiums that do not meet the criteria for site condominium eligibility must follow the criteria in *Condominiums* above.

Condominiums

Units in a condominium project are eligible for a guarantee if the condominium can meet Freddie Mac guidelines. To obtain condo approval, the following documents must be submitted with the underwriting package:

- Long form condo questionnaire (available at www.fsbtpo.com)
- Legal & recorded documents of the covenants, conditions and restrictions, declaration of condominium and by-laws of condo association.
- Homeowners Association certification
- Homeowners Association Master Insurance Policies
- Project budget, financial statements or reserve study
- If new construction – project construction plans and phase information
- Completion reports – as applicable

The list of documents required for review are considered a starting point. The Condo Questionnaire will identify if further information will be required for any of the following:

- Environmental hazard reports
- Architect or engineers report
- Project marketing plans
- Attorney opinions
- Litigation Letter
- Litigation information

The above process is not required if the condo has a current Condo Approval by FHA, VA or FNMA.

Lenders must retain evidence they have reviewed condominium documentation that supports the project's approval or acceptance and must provide such documentation to Agency staff when requested.

Applicants remain responsible to obtain individual homeowners' insurance (HO6 policy) or flood insurance, as applicable. The lender is responsible for ensuring the HOA obtains and maintains adequate flood and hazard insurance for buildings in a condo project located within a SFHA.