



Condo Guidelines

Conventional vs. FHA

7/6/09

Definition: a condominium unit is defined as an individual unit in a real estate project in which each unit owner has title to a single unit in a building, plus an undivided interest in the common areas of the project, and sometimes the exclusive use of certain limited common areas.

<u>Guideline</u>	<u>Conventional</u>	<u>FHA</u>
Pre-Sale Requirements (new projects)	70% (or with prior approval by FannieMae PERS)	51%
Occupancy Ownership	51% must be Owner Occupied (some exceptions apply)	50%
Single Entity Ownership	10% Max	10% Max
Operating Reserve	10% of Annual Budget	Subject to Reserve Study
HOA Dues Delinquency	15% Max	15% Max
Non-Residential Space	20% Max	25% Max
“Walls In” Insurance (HO-6)	20% of unit value	Not Required
Site Condos (detached SFR)	Must be reviewed	Don’t require FHA Approval
Concentration Limits	Subject to Lender Requirements	30% Max can be FHA
Approval Expiration	Subject to Lender Requirements	2 years

Other Considerations

Project Phasing

Pending lawsuits against the HOA

FHA - projects approved for 2 years on www.hud.gov

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