

Chapter 5701: Condominiums

5701.1: Seller's assessment of Condominium Project risks; terms used in this chapter (03/05/25)

This section contains:

- [Seller's assessment of Condominium Project risks](#)
- [Glossary definitions and other terms used in this chapter](#)

(a) Seller's assessment of Condominium Project risks

Freddie Mac requires a Condominium Project review to address certain project risks including, but not limited to:

- The marketability and condition of the project
- The marketability of the units within the project
- The financial stability and viability of the project
- Project-level litigation
- Restrictions on unit owners' rights to occupy the unit
- Ownership and use of the Common Elements and Amenities; and
- The adequacy of insurance coverage to protect the project from damage and loss

Freddie Mac expects the Seller to have staff that is experienced and knowledgeable about Condominium Project risks and to place as much emphasis on the adequacy of the property as collateral as it does on underwriting the Borrower's creditworthiness. The quality of a Mortgage secured by a unit in a Condominium Project can be impacted by the financial stability and viability of the particular project, among other project characteristics.

The conclusion that a Mortgage is acceptable to Freddie Mac must be based on the determination that the Borrower is creditworthy and the Mortgaged Premises is adequate collateral for the Mortgage transaction.

If a Seller determines that an Established Condominium Project does not meet certain Freddie Mac project eligibility requirements and concludes that the Mortgaged Premises is still adequate collateral for the Mortgage transaction, then the Seller may request that Freddie

Mac consider a waiver. For information on requesting Freddie Mac to consider a waiver of its project eligibility requirements, see Section 5701.11.

(b) Glossary definitions and other terms used in this chapter

(i) Glossary definitions for Condominium Projects and unit type

The Seller should be familiar with the Glossary definitions of the following terms:

Glossary definitions for Condominium Projects and unit type	
D	
Detached Condominium Project	A Condominium Project comprised solely of Detached Condominium Units.
Detached Condominium Unit	A Condominium Unit that is completely detached from any other unit in a Condominium Project. A Detached Condominium Unit can be in a Detached Condominium Project or in a Condominium Project that contains a mixture of attached, detached and/or semi-detached units.
E	

Glossary definitions for Condominium Projects and unit type	
Established Condominium Project	<p>An Established Condominium Project is a Condominium Project in which:</p> <ul style="list-style-type: none"> ■ The Condominium Project (all Condominium Units, Common Elements and Amenities) and related facilities owned by any Master Association are complete and not subject to any additional phasing ■ At least 75% of the total units in the project have been conveyed to the unit purchasers, and ■ The unit owners control the homeowners association
N	
New Condominium Project	<p>A New Condominium Project is a Condominium Project in which:</p> <ul style="list-style-type: none"> ■ The Condominium Project (all Condominium Units, Common Elements and Amenities) and related facilities owned by any Master Association are not complete, or are subject to additional phasing ■ Fewer than 75% of the total number of units in the project must have been conveyed to the unit purchasers, or ■ The developer has not turned control of the homeowners association over to the unit owners
#	
2- to 4-Unit Condominium Project	<p>A project that is comprised of at least two but no more than four units that are each separately deeded with separate legal descriptions. The units may be attached, detached or semi-detached units or a mixture of attached, detached and/or semi-detached units. The units may also be a mixture of residential units and no more than one commercial unit.</p>

(ii) Glossary definitions for Critical Repairs and Routine Repairs

The Seller should be familiar with the Glossary definitions of the following terms:

Glossary definitions for Critical Repairs and Routine Repairs	
C	
Critical Repairs (includes material deficiencies and significant deferred maintenance)	<p>Repairs and replacements that significantly impact the safety, soundness, structural integrity or habitability of the project's building(s) and/or that impact unit values, financial viability or marketability of the project.</p> <p>These include:</p> <ul style="list-style-type: none"> ■ Material deficiencies which, if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year ■ Any mold, water intrusions or potentially damaging leaks to the project's building(s) that have not been repaired ■ Advanced physical deterioration ■ Any project that failed to pass state, county, or other jurisdictional mandatory inspections and/or certifications specific to structural soundness, safety, and habitability; or ■ Any unfunded repairs costing more than \$10,000 per unit that should be undertaken within the next 12 months (does not include repairs made by the unit owner or repairs funded through a special assessment) <p>Examples of some items to consider include, but are not limited to, sea walls, elevators, waterproofing, stairwells, balconies, foundation, electrical systems, parking structures or other load-bearing structures.</p>
R	
Routine Repairs	<p>These repairs are not considered to be critical and include work that is:</p> <ul style="list-style-type: none"> ■ Preventative in nature or part of normal capital replacements (e.g., focused on keeping the project fully functioning and serviceable); and ■ Accomplished within the project's normal operating budget or through special assessments that are within guidelines

(iii) Other terms used in this chapter

The following additional terms are used in this chapter:

Additional defined terms	
C	
Condo Project Advisor® Feedback Certificate	The printed or printable document returned by Condo Project Advisor that details the approval of a Project Waiver Request (PWR) submission or details the Project Assessment Request (PAR) findings.
H	
Homeowners Association (HOA)	A Homeowners Association is an association comprised of unit owners that maintains the Common Elements for the benefit of the unit owners. In a Condominium Project, the association has no ownership interest in the Common Elements.

5701.2: Condominium Project review and general Condominium Project eligibility requirements (03/05/25)

The Seller must determine compliance with Freddie Mac's project review and eligibility requirements in this section. This section contains:

- [Condominium Project review requirements](#)
- [General Condominium Project eligibility requirements](#)
- [Freddie Mac right to review Condominium Projects](#)
- [Overview of Condominium Project review and eligibility requirements and project review types](#)

(a) Condominium Project review requirements

Except for Condominium Unit Mortgages delivered in accordance with the requirements in Section 5701.7 relating to Exempt from Review or Section 5701.10 relating to Condominium Projects with a Project Certified status Project Assessment Request (PAR) finding, the Seller must ensure that:

1. The Condominium Unit Mortgage, the Condominium Unit and the Condominium Project comply with project eligibility requirements for **one** of the following project review types:

- Streamlined reviews (See Section 5701.4)
- Established Condominium Projects (See Section 5701.5)
- New Condominium Projects (See Section 5701.6)
- Reciprocal project reviews (See Section 5701.9)

2. The project is not an ineligible project (See Section 5701.3)

Note: If the Condominium Unit Mortgage to be delivered complies with the reciprocal project review requirements in Section 5701.9(a), then compliance with Section 5701.3 is not required.

3. The Seller reviews and determines that a Condominium Project complies with Freddie Mac's requirements as follows:

Condominium Project review expiration	
Project review type	Expiration of project review
Streamlined reviews (Section 5701.4) Established Condominium Projects (Section 5701.5)	Within one year prior to the Note Date
New Condominium Projects (Section 5701.6)	Within 180 days prior to the Note Date

If the Condominium Project does not meet Freddie Mac's project eligibility requirements on the Note Date, the Seller may deliver the Condominium Unit Mortgage at the time the Condominium Project complies with all of the project eligibility requirements as long as all other applicable requirements have been met.

4. The Condominium Project remains in full compliance with the applicable State law, the requirements of the jurisdiction in which the Condominium Project is located, and with all other applicable laws and regulations governing the Condominium Project

(b) General Condominium Project eligibility requirements

The Seller must review and determine compliance with the following requirements:

1. The project must have insurance that complies with the applicable requirements of Chapter 4703

2. The Condominium Unit must be covered by a title insurance policy that complies with requirements of Chapter 4702
3. If a Condominium Project is on a leasehold estate, the lease must comply with the requirements of Chapter 5704
4. The Seller must deliver a Condominium Unit Mortgage no later than 120 days after the Note Date. If the Condominium Unit Mortgage is not delivered within 120 days after the Note Date, the Seller must update the review and determination of the Condominium Project eligibility.
5. The Seller must have policies and procedures in place, and must take appropriate steps to ensure that the Condominium Unit, the Condominium Unit Mortgage and the Condominium Project comply with applicable requirements
6. The Seller must retain all documentation related to the review of the Condominium Project. Upon request, the Seller must provide the project information and documentation to Freddie Mac.
7. The Seller must not deliver a Mortgage secured by a Condominium Unit in a Condominium Project with a Not Eligible status as provided in Section 5701.10(d)(i)

(c) Freddie Mac right to review Condominium Projects

Freddie Mac reserves the right to conduct its own review of the Condominium Project for Condominium Unit Mortgages delivered to Freddie Mac.

(d) Overview of Condominium Project review and eligibility requirements and project review types

Below is a table illustrating an overview of our Condominium Project review and eligibility requirements and project review types:

Condominium Project review and eligibility requirements overview			
	Seller must determine compliance with		
	Project review requirements in Section 5701.2 (a)	General project eligibility requirements in Section 5701.2(b)	Ineligible projects Section 5701.3
Freddie Mac project review types			
<i>Streamlined reviews¹</i>	X	X	X

Section 5701.4			
<i>Established Condominium Projects</i> Section 5701.5	X	X	X
<i>New Condominium Projects</i> Section 5701.6	X	X	X
<i>Reciprocal project reviews – Fannie Mae-approved and certified projects</i> Section 5701.9(a)		X	
<i>Reciprocal project reviews – FHA-Approved Project review for condominiums</i> Section 5701.9(b)		X	X
If delivered in accordance with the requirements in Section 5701.10 or 5701.7:			
<i>Condominium Projects with a Project Certified status</i> Section 5701.10	See Note 3	X	
<i>2- to 4- Unit Condominium Projects</i>		X	See Note 2
<i>Detached Condominium Units</i>		X	See Note 2
<i>Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgage</i>		X	See Notes 2 & 4
<i>Refi Possible® Mortgage</i>		X	See Notes 2 & 4

¹Condominium Project must meet the Glossary definition of an Established Condominium Project.

²Condominium Project must not be a Condominium Hotel or similar type of transient housing, houseboat project, timeshare project or project with segmented ownership. The Condominium Project must not include Manufactured Homes, unless the Condominium Unit Mortgage is a Refi Possible Mortgage.

³Condominium Project must comply with the owner-occupancy requirements for Investment Property Mortgages in Section 5701.5(b) when specified on the Condo Project Advisor® Feedback Certificate.

⁴Condominium Project is not in need of Critical Repairs and does not have an evacuation order. (See Sections 5701.3(n) and 5701.3(o) for details.)

5701.3: Ineligible projects (03/05/25)

This section contains requirements related to:

- [Condominium projects in which the unit owners do not have an undivided ownership interest or leasehold interest in the land on which the project is located](#)
- [Condominium Hotel or similar type of transient housing](#)
- [Condominium Project with multi-dwelling units](#)
- [Condominium Project with excessive commercial or non-residential space](#)
- [Tenancy-in-common apartment project](#)
- [Timeshare project or project with segmented ownership](#)
- [Houseboat project](#)
- [Condominium Project in which the unit owners do not possess sole ownership of the Common Elements](#)
- [Condominium Project in litigation](#)
- [Condominium Project with excessive single investor concentration](#)
- [Continuing Care Retirement Community \(CCRC\)](#)
- [Manufactured Homes in Condominium Projects](#)
- [Condominium Project with mandatory dues or similar membership fees for use of Amenities such as clubhouses or recreational facilities](#)
- [Project in need of Critical Repairs](#)
- [Project with an evacuation order](#)

Except for Condominium Unit Mortgages delivered in accordance with the requirements in Section 5701.7 relating to Exempt From Review or Section 5701.10 relating to Condominium Projects with a Project Certified status Project Assessment Request (PAR) finding, Mortgages secured by units in any of the following types of projects are not eligible for sale to Freddie Mac.

(a) Condominium projects in which the unit owners do not have an undivided ownership interest or leasehold interest in the land on which the project is located

A project in which, when control of the Homeowners Association (HOA) has been or will be turned over to the unit owners, the unit owners do not have either: (1) an undivided ownership interest in the land on which the project is located; or (2) a leasehold interest in the land on which the project is located.

(b) Condominium Hotel or similar type of transient housing

Any project that is a Condominium Hotel or similar type of transient housing.

(i) Condominium Hotel characteristics

Projects with one or more of the following characteristics are considered a Condominium Hotel and are ineligible projects:

1. Projects and/or HOAs that are licensed, have a permit to operate, or are registered, as a hotel or a motel, even though the units may be individually owned
2. Projects that impose mandatory rental-pooling (or similar agreements that restrict the unit owner's ability to occupy the unit for living purposes such as blackout dates or occupancy limits on personal use) to assure an inventory of units for rent on a frequent basis, such as daily, weekly, monthly or seasonally
3. Projects with revenue-sharing agreements between unit owners and the HOA, property management and/or rental operator contracted by the HOA or property management

(ii) Transient housing characteristics

Projects with one or more of the following characteristics are considered a type of transient housing and are ineligible projects:

1. Projects and/or HOAs that are licensed (or have a designated licensed agent), have a permit to operate, or are registered, as a type of transient housing (e.g., vacation rental license, short term rental registrant, etc.) for the rental of non-HOA owned units
2. Condominium Projects that are conversions of a hotel (or a conversion of a similar type of transient housing) unless the project was a Gut Rehabilitation and the resulting Condominium Units no longer have the characteristics of a hotel or similar type of transient housing
3. The HOA receives revenue from, or pays expenses for, hotel type services including but not limited to:

- Registration desk services. This includes a project's front desk staff also serving as a vacation rentals employee or assisting with an onsite rental operator's registration desk or any payments received from renting units on a transient basis via the rental registration desk. It does not include any market rate rent paid by a third party for the use of a registration desk.
 - A rental registration website/hosting platform
4. The HOA charges a fee, paid by either the unit owner or the unit owner's transient renters, when a unit is rented on a transient basis. This includes any surcharge to unit owners who do not elect to rent their units through the HOA's and/or property management's preferred rental operator(s). This does not include any fees charged to reimburse the cost of the wear and tear to the project's facilities and/or Amenities from the transient renters or any fees charged for reviewing the terms of the transient rental contract.
 5. The HOA and/or its management agent, as rental operator or licensed agent, collects and remits required taxes to all applicable jurisdictions (city, county and State) such as transient, short-term rental, and/or hotel occupancy taxes as well as sales taxes, excise taxes, etc.
 6. The HOA provides a designated space (e.g., an HOA-owned unit, an area in the project's lobby or other Common Elements area, etc.) for the operation of an on-site rental operator free of charge to that rental operator
 7. Unit owners are required through the Project Documents or other contractual agreement to use a specific rental agency(ies) for their transient rentals
 8. The entity that manages the Condominium Project also manages its transient rentals. This does not include an entity that has independent divisions for property management and for transient rentals management, the property management division manages the Condominium Project, and unit owners are not mandated to contract with its transient rentals division.
 9. Residential units have restrictions on interior decorating that are imposed by the HOA or its management agent

(iii) Examples of personalized services and centralized systems that are common red flags of a Condominium Hotel or transient housing

The following are examples of personalized services and centralized systems that are common red flags of a Condominium Hotel or similar type of transient housing:

- Personalized services

- ☐ Daily cleaning services
- ☐ Porters/luggage service
- ☐ Room service
- Centralized systems
 - ☐ Any central telephone service
 - ☐ Central key systems

Condominium Projects with short-term rentals, personalized services and/or centralized systems may be eligible if the Seller fully analyzes all the characteristics of the project and related information to determine if the project is not a Condominium Hotel or transient housing as described above.

The Seller must retain, and provide upon request, documentation to support its analysis that the Condominium Project is not a Condominium Hotel or similar type of transient housing as required in Section 5701.2(b)(6). Such documentation may include, but is not limited to, Project Documents (e.g., by-laws, project budgets and financial statements), offering statements (or their equivalent) and marketing materials, websites, contracts for sale and appraisal reports.

(c) Condominium Project with multi-dwelling units

A project in which an owner may hold a single deed evidencing ownership of more than one dwelling unit.

(d) Condominium Project with excessive commercial or non-residential space

A project in which more than 35% of the total above and below grade square footage of the project (or more than 35% of the total above and below grade square footage of the building in which the project is located) is used as commercial or non-residential space.

In calculating the amount of commercial or non-residential space, Sellers must determine:

- The total square footage of the project (or the building in which the project is located);
- The square footage of the commercial or non-residential space; and
- The residential space square footage

The Seller will then divide the total commercial or non-residential square footage by the total square footage of the project or building to determine the total amount of commercial or non-

residential space. Below is a table illustrating what must be included or may be excluded from the calculation of commercial or non-residential space:

Excessive commercial or non-residential space	
Type of commercial or non-residential space	Include in the calculation?
Retail and other commercial or non-residential space (for example, restaurants and stores)	Yes
Residential rental apartments, hotels, motels and other similar types of space, although such space may have residential characteristics	Yes
Non-residential space that the HOA does not own, but that is owned by a private individual or entity outside of the HOA structure (for example, private fitness facilities that are membership-based rather than owned by the HOA for the sole use of the residential unit owners)	Yes
The total square footage of commercial or non-residential space even when the HOA representing the residential owners is different from the association representing the commercial owners	Yes
Commercial parking facilities	No
Project Amenities and facilities that are residential in nature, owned by the HOA or unit owners and allocated for the sole use of the residential unit owners	No

(e) Tenancy-in-common apartment project

A tenancy-in-common apartment project is owned by several owners as tenants-in-common or by an HOA. Individuals have an undivided interest in the residential apartment building (including the units) and land on which the building is located and may or may not have the right of exclusive occupancy of a specific apartment unit in the building.

(f) Timeshare project or project with segmented ownership

A project in which there is an arrangement under which a purchaser receives an interest in real estate and the right to use a unit or Amenities, or both, for a specified period and on a recurring basis such as the 15th week of the year, or ownership that is for a limited period such as for the subsequent five years.

(g) Houseboat project

A project comprised of boats that have been designed or modified to be used primarily as dwelling units.

(h) Condominium Project in which the unit owners do not possess sole ownership of the Common Elements

Except as stated below, unit owners in a Condominium Project must have the sole ownership in and the right to the use of the Common Elements, including all buildings, roads, parking, facilities and Amenities. The developer must not retain any ownership interest in the Common Elements, facilities and Amenities, except as unit owner.

A Condominium Project that shares Amenities with one or more other residential projects is eligible if the projects share the Amenities (such as recreational or fitness facilities, swimming pools and clubhouses) for the sole use of the unit owners and Shareholders, if applicable. The term “residential projects” includes only residential Condominium Projects, Cooperative Projects and Planned Unit Developments (PUDs). The residential projects must have an agreement specifying:

1. A description of the shared Amenities and the terms of unit owners’ and Shareholders’ permitted use of the shared Amenities
2. How the shared Amenities will be funded, managed and maintained, and
3. The method for resolving disputes between the projects regarding the shared Amenities

The Common Elements, including Amenities, such as parking and recreational facilities, must not be subject to a lease between the unit owners or the HOA (as lessee) and any other party (as lessor).

Parking provided under commercial leases or permit arrangements for parking, entered into with parties unrelated to the developer are acceptable.

(i) Condominium Project in litigation

A project in which: (i) the HOA is named as a party to pending litigation or the Seller discovers that the HOA is a party to an Alternative Dispute Resolution (ADR) proceeding, such as arbitration or mediation, or (ii) the project sponsor or developer is named as a party to pending litigation, or the Seller discovers that the project sponsor or developer is a party in an ADR proceeding and, in either case, the dispute relates to the safety, structural soundness, functional use or habitability of the project.

If the Seller determines that the pending litigation or ADR proceeding involves only minor matters that do not affect the safety, structural soundness, functional use or habitability of the

project, the project is eligible if the litigation or ADR proceeding is limited to one of the following:

1. The litigation amount is known, the insurance company has committed to provide the defense and the litigation amount is covered by the insurance policy
2. The litigation amount is unknown, the Seller has documented the Mortgage file with a copy of the complaint, or the most recent amended complaint, and with an attorney letter that supports the Seller's determination that the litigation involves minor matters. The attorney letter must state all of the following:
 - i. The reason for the litigation;
 - ii. That the insurance company has committed to provide the defense; and
 - iii. That any potential monetary judgment against the HOA, or settlement with the HOA, including punitive damages, will likely be covered by the HOA's insurance policy

If the attorney indicates the matter will not likely be covered by the HOA's insurance policy, then the project is ineligible.

3. The matter involves any of the following:
 - i. A non-monetary neighbor dispute or right of quiet enjoyment, whether litigated or in an ADR proceeding;
 - ii. A dispute in which the HOA is the plaintiff in a foreclosure action or action for past due HOA assessments; or
 - iii. A dispute in which the HOA is the plaintiff in the litigation or a party to an ADR proceeding and is seeking reimbursement for expenditures made to repair the project's component(s). The expenditures may have included items that related to the safety, structural soundness, functional use or habitability of the project, provided that the repair permanently resolved the defect or issue, and the expenditures did not significantly impact the financial stability or future solvency of the HOA.
4. The estimated or known amount in dispute in the litigation or ADR proceeding is not expected to exceed 10% of the project's funded reserves, provided that use of the project's funded reserves to pay for project litigation or dispute resolution does not violate the applicable jurisdiction's laws and regulations

The Seller must retain documentation to support its analysis that the reason for the dispute meets Freddie Mac's requirements for minor matters as described above.

(j) Condominium Project with excessive single investor concentration

Any project in which an individual or a single entity such as an investor group, partnership or corporation owns more than the following total number of units in the project:

Excessive single investor concentration	
Number of units in the project	Total number of units owned by individual or single entity
Five to 20	Two
21 or more	25%

1. Exclusion from calculation:

The following may be excluded from the single investor concentration calculation:

- i. Vacant units being actively marketed by the developer. Any units leased by the developer must be included in the calculation of the developer's percentage of ownership.
- ii. Units that a non-profit entity controls or owns for the purpose of providing affordable housing
- iii. Units held in affordable housing programs (including units subject to non-eviction rent regulation codes), and
- iv. Units retained for workforce housing by higher-education institutions

2. Exception for a project with excessive single investor concentration:

For purchase transactions, a project with single investor concentration greater than specified above will be eligible provided all of the following are met:

- i. The purchase transaction will result in a reduction of the single investor concentration
- ii. The single investor must not own more than 49% of the units in the project
- iii. The Seller obtains evidence that the single investor is marketing units for sale with the goal to decrease the single investor concentration to 25% or less of the units in the project
- iv. The single investor is current on all HOA assessments, and

- v. There are no planned or current special assessments in the project

(k) Continuing Care Retirement Community (CCRC)

A CCRC is a residential project specifically designed to meet the evolving health and housing needs of seniors. Unlike age-restricted communities, residents in CCRCs sign a contract in advance for a lifetime commitment of care from the facility, regardless of the future health or housing needs. CCRCs may also be known as Life-Care Facilities.

(l) Manufactured Homes in Condominium Projects

Condominium Projects that contain Manufactured Homes are ineligible unless they meet one of the following exceptions:

- They comply with the Established Condominium Project requirements in Section 5701.5 (see Section 5701.5(f) for additional information specific to Manufactured Homes), or
- They have an “Approved by Fannie Mae” status designation in Fannie Mae’s Condo Project Manager™ (refer to Section 5701.9(a) for additional information on reciprocal project reviews)

(m) Condominium Project with mandatory dues or similar membership fees for use of Amenities such as clubhouses or recreational facilities

Projects with mandatory dues or similar membership fees, including initiation or joining fees, which allow for the use of Amenities such as clubhouses or recreational facilities are ineligible unless both of the following are met:

- The HOA and/or Master Association solely own the Amenities; and
- Condominium Unit owners within the HOA or Master Association are the only persons or entities eligible for membership, with full rights and privileges to the use of these Amenities being the primary benefit of membership

(n) Project in need of Critical Repairs

Mortgages secured by units in Condominium Projects in need of Critical Repairs, as defined in the Glossary, are not eligible for sale to Freddie Mac.

For both current and planned (i.e., unit owners approved but the board has not initiated collection yet) special assessments, Seller must obtain and review the following information for each special assessment to determine if the funds are for a Critical Repair:

- The purpose of the special assessment,
- When the special assessment was approved,

- The original amount of the special assessment,
- The amount remaining to be collected, and
- The expected date the special assessment will be paid in full

If a structural and/or mechanical inspection has been completed within three years of Seller's project review date, Seller must review that inspection report. There must not be any Critical Repairs needed, as well as no current evacuation orders or similar regulatory actions.

Projects in need of Critical Repairs remain ineligible until the required repairs and/or inspection report have been completed and documented. Sellers must review an engineer's report or substantially similar document to determine that the repairs resolved the building's safety, soundness, structural integrity or habitability concerns.

If damage or deferred maintenance is isolated to one or a few units and does not affect the overall safety, soundness, structural integrity, or habitability of the project, then this project eligibility requirement does not apply.

This requirement does not apply to Routine Repairs, as defined in the Glossary.

Sellers may need to review a combination of documents to determine a project meets our physical condition requirements. Some examples include but are not limited to:

- HOA board meeting minutes
- Engineer's reports,
- Structural and/or mechanical inspection reports,
- Reserve studies,
- List of necessary repairs provided by the HOA or management company,
- List of special assessments provided by the HOA or management company, and/or
- Other substantially similar documentation

This list is not prescriptive or exhaustive. Sellers are responsible for determining which documents they need to review to ensure compliance with this requirement.

(o) Project with an evacuation order

A project with an evacuation order due to an unsafe condition, either for a partial or total evacuation of the project's building(s), is ineligible until the unsafe condition has been remediated and the building(s) is safe for occupancy.

5701.4: Streamlined reviews (03/05/25)

In addition to the project review and eligibility requirements in Section 5701.2, Condominium Unit Mortgages must comply with all of the following requirements to be eligible for the streamlined project review type. This section contains requirements related to:

- [Project type](#)
- [Maximum loan-to-value \(LTV\)/total LTV \(TLTV\)/Home Equity Line of Credit \(HELOC\) TLTV \(HTLTV\) ratios](#)
- [Special assessments](#)

(a) Project type

The Condominium Unit must be located in an Established Condominium Project.

(b) Maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios

The Mortgage must not exceed the LTV/ TLTV/ HTLTV ratios for the occupancy type as indicated in the following table:

Maximum LTV/TLTV/HTLTV ratios by occupancy type and project location		
Occupancy type	Projects not located in Florida	Projects located in Florida
Primary Residence	90%	75/90/90%
Second Home	75%	70/75/75%
Investment Property	75%	70/75/75%

(c) Special assessments

No more than 15% of the total number of units in a project are 60 or more days delinquent in the payment of each special assessment.

Note: If the requirements for streamlined reviews in this Section 5701.4 are met, then the Seller is not required to comply with the requirements for any of the other project review types in Sections 5701.5 (Established Condominium Project reviews), 5701.6 (New Condominium Project reviews), 5701.7 (Exempt from review) and 5701.9 (Reciprocal project reviews).

5701.5: Established Condominium Projects (03/05/25)

This section contains:

- [Project completion requirements for Established Condominium Projects](#)
- [Owner-occupancy requirements for Established Condominium Projects](#)
- [Project budget requirements for Established Condominium Projects](#)
- [Delinquent assessments for Established Condominium Projects](#)
- [Requirements when a Seller relies on a project reserve study for Established Condominium Projects](#)
- [Requirements when an Established Condominium Project contains Manufactured Homes](#)

To be eligible for the Established Condominium Projects review type, the Condominium Project must meet the definition of an Established Condominium Project.

If the Condominium Unit Mortgages or the Condominium Projects do not comply with the eligibility requirements for (i) Condominium Projects with a Project Certified status Project Assessment Request (PAR) finding (see Section 5701.10) or (ii) streamlined reviews (see Section 5701.4), the Mortgages must comply with all of the following eligibility requirements in addition to the project review and eligibility requirements in Section 5701.2.

(a) Project completion requirements for Established Condominium Projects

All units, Common Elements and Amenities must be complete.

(b) Owner-occupancy requirements for Established Condominium Projects

The following table outlines the owner-occupancy requirements for the Condominium Project by occupancy type:

Owner-occupancy requirement for the Established Condominium Project	
Occupancy type	Occupancy requirement
Primary Residence	No owner-occupancy requirement
Second home	
Investment Property	At least 50% of the total number of Condominium Units in the Condominium Project must have been conveyed to purchasers who occupy their units as a Primary Residence or second home.

(c) Project budget requirements for Established Condominium Projects

The project's budget for the current fiscal year must comply with the following:

1. Be consistent with the nature of the project
2. Appropriate assessments must be established to manage the project
3. There must be appropriate allocations for line items pertinent to the type and status of the Condominium Project
4. There must be adequate funding for insurance deductible amounts
5. At least 10% of the budget must provide funding for replacement reserves for capital expenditures and deferred maintenance based on the project's age, estimated remaining life and replacement cost of major Common Elements

Calculation of replacement reserve percentage	
Formula	Exclusions
The replacement reserve percentage is determined by dividing: (i) the annual budgeted replacement reserve allocation by (ii) the Homeowners Association's (HOA's) annual budgeted assessment income (including regular common expense fees)	<p>The calculation may exclude:</p> <ul style="list-style-type: none"> i. Special assessment income ii. Income allocated to or in reserve accounts iii. Incidental income not relied upon for maintenance operations or capital improvements; and iv. Amounts collected from unit owners (but usually paid individually by them)

Calculation of replacement reserve percentage	
Formula	Exclusions
	for items or utilities such as internet access

6. A Seller may rely on a reserve study instead of the project budget providing a replacement reserve of at least 10%, provided the conditions in section (e) below are met
7. An HOA must not receive more than 10% of its budgeted income from the rental or leasing of commercial parking facilities

(d) Delinquent assessments for Established Condominium Projects

(i) HOA assessments

No more than 15% of the total number of units in a project are 60 or more days delinquent in the payment of their HOA assessments.

(ii) Special assessments

No more than 15% of the total number of units in a project are 60 or more days delinquent in the payment of each special assessment.

(e) Requirements when a Seller relies on a project reserve study for Established Condominium Projects

The reserve study must comply with the following requirements:

1. The reserve study generally must include:
 - An inventory of major components of the project;
 - Financial analysis and evaluation of current reserve fund adequacy; and
 - Proposed annual reserve funding plan
2. A reserve study's financial analysis must validate that the project has appropriately allocated the recommended reserve funds to provide the Condominium Project with sufficient financial protection comparable to Freddie Mac's standard budget requirements for replacement reserves
3. The reserve study's annual reserve funding plan, which details total costs identified for replacement components, must meet or exceed the study's recommendation and conclusion

4. The most current reserve study (or update) must be dated within 36 months of the Seller's determination that a Condominium Project is eligible (see Section 5701.2(a)(3))
5. The reserve study must be prepared by an independent expert skilled in performing such studies (such as a reserve study professional, a construction engineer, a certified public accountant who specializes in reserve studies or any professional with demonstrated experience and knowledge in completing reserve studies)
6. The reserve study must meet or exceed requirements set forth in any applicable state statutes
7. The reserve study must comment favorably on the project's age, estimated remaining life, structural integrity and the replacement of major components

If the Seller relies on a reserve study that meets the requirements of this section, the project's budget must contain appropriate allocations to support the costs identified in the study.

The Seller must obtain and retain in the Mortgage file a copy of the reserve study. The Seller must also perform an analysis of the study and retain this analysis in the Mortgage file.

(f) Requirements when an Established Condominium Project contains Manufactured Homes

To be eligible:

1. The Mortgage must be secured by a Detached Condominium Unit
2. The subject Manufactured Home must not be a single-wide Manufactured Home
3. The subject Manufactured Home must meet the requirements in Chapter 5703
4. Although Section 5701.3(a) states otherwise, the Condominium Project's unit owners must only have an undivided ownership interest in the land on which the project is located
5. The Condominium Project must not have campgrounds or other facilities for transient or mobile units

For Condominium Unit Mortgages secured by Condominium Units located in Condominium Projects that contain Manufactured Homes that do not comply with these requirements, the projects must have an "Approved by Fannie Mae" status designation in Fannie Mae's Condo Project Manager™ (see Section 5701.9(a) for additional information) for the Mortgages to be eligible for sale to Freddie Mac.

Note: If the requirements for Established Condominium Projects in this Section 5701.5 are met, then the Seller is not required to comply with the requirements for any of the other project review types in Sections 5701.4 (Streamlined reviews), 5701.6 (New Condominium Project reviews), 5701.7 (Exempt from review) and 5701.9 (Reciprocal project reviews).

5701.6: New Condominium Projects (05/07/25)

This section contains:

- [Project completion requirements](#)
- [Owner-occupancy requirements for New Condominium Projects](#)
- [Project budget requirement for New Condominium Projects](#)
- [Delinquent assessments for New Condominium Projects](#)
- [Compliance with laws](#)
- [Limitations on ability to sell/right of first refusal](#)
- [Conversions](#)
- [Mortgagee consent](#)
- [Rights of Condominium mortgagees and guarantors](#)
- [First mortgagee's rights confirmed](#)
- [Requirements when a Seller relies on a project reserve study for New Condominium Projects](#)
- [Requirements when a Seller relies on contributions to a working capital fund for New Condominium Projects](#)
- [New Condominium Project sold with excessive Seller contributions](#)
- [New Condominium Projects in Florida](#)

To be eligible for the New Condominium Projects review type, the Condominium Project must meet the definition of a New Condominium Project.

In addition to the project review and eligibility requirements in Section 5701.2, Mortgages secured by Condominium Units in New Condominium Projects must comply with all of the following requirements:

(a) Project completion requirements

The subject legal phase (or the subject building) and any prior legal phases in which units have been offered for sale must be substantially complete. “Substantially complete” indicates that the Common Elements are complete and the units are complete subject to the selection of buyer preference items.

For the purpose of determining project completion under this Section 5701.6, a single building can only have one legal phase, regardless of whether the Condominium Project is comprised solely of that single building or multiple buildings. Legal phases are defined by the Project Documents. Construction or marketing phases developed for the convenience of the developer are not necessarily legal phases and are not eligible.

(b) Owner-occupancy requirements for New Condominium Projects

At least 50% of the total units in the project (or at least 50% of the sum of the subject legal phase and prior legal phases) must have been conveyed or must be under contract to purchasers who will occupy the units as their Primary Residences or second homes.

For the purpose of calculating owner-occupancy under this Section 5701.6, a single building can only have one legal phase, regardless of whether the Condominium Project is comprised solely of that single building or multiple buildings. Legal phases are defined by the Project Documents. Construction or marketing phases developed for the convenience of the developer are not necessarily legal phases and are not eligible.

(c) Project budget requirement for New Condominium Projects

The project’s budget for the current fiscal year must comply with the following:

1. The Homeowners Association’s (HOA’s) assessments must begin once the developer has ceased to pay operating expenses attributable to the Condominium Project, whether or not all units have been sold. When any unit owner other than the developer pays assessments, the developer must pay the assessments attributable to the unsold units.
2. The project’s budget (or its projected budget if the project has not been turned over to the unit owners) must be consistent with the nature of the project
3. Appropriate assessments must be established to manage the project
4. There must be appropriate allocations for line items pertinent to the type and status of the Condominium Project
5. If the project was recently converted, the developer must have initially funded a working capital fund, through contributions made by the developer and/or purchasers of the Condominium Units, in an amount consistent with the estimated remaining life of the Common Elements

6. There must be adequate funding for insurance deductible amounts
7. At least 10% of the budget must provide funding for replacement reserves for capital expenditures and deferred maintenance based on the project's age, estimated remaining life and replacement cost of major Common Elements

Calculation of replacement reserve percentage	
Formula	Exclusions
The replacement reserve percentage is determined by dividing: (i) the annual budgeted replacement reserve allocation by (ii) the HOA's annual budgeted assessment income (including regular common expense fees)	<p>The calculation may exclude:</p> <ul style="list-style-type: none"> i. Special assessment income ii. Income allocated to or in reserve accounts iii. Incidental income not relied upon for maintenance operations or capital improvements; and iv. Amounts collected from unit owners (but usually paid individually by them) for items or utilities such as internet access

8. If the budget does not provide a replacement reserve of at least 10%, a Seller may rely on either:
 - i. A reserve study, provided the conditions in Section 5701.6(k) below are met; or
 - ii. Contributions to a working capital fund, provided the conditions in Section 5701.6(l) below are met. These contributions can be in addition to or in lieu of any working capital fund contributions made by the developer in the case of a recently converted project.
9. An HOA must not receive more than 10% of its budgeted income from the rental or leasing of commercial parking facilities

(d) Delinquent assessments for New Condominium Projects

(i) HOA assessments

No more than 15% of the total number of units in a project are 60 or more days delinquent in the payment of their HOA assessments.

(ii) Special assessments

No more than 15% of the total number of units in a project are 60 or more days delinquent in the payment of each special assessment.

(e) Compliance with laws

The Condominium Project has been created and exists in full compliance with the applicable State law, the requirements of the jurisdiction in which the Condominium Project is located, and with all other applicable laws and regulations governing creation of the Condominium Project.

(f) Limitations on ability to sell/right of first refusal

Any right of first refusal in the Project Documents will not adversely impact the rights of a mortgagee or its assignee to:

- Foreclose or take title to a Condominium Unit pursuant to the remedies in the Mortgage
- Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor; or
- Sell or lease a unit acquired by the mortgagee or its assignee

(g) Conversions

For a Condominium Project that was created by conversion of a building(s) with a prior use, the following requirements must be met for the Seller's review and determination of project eligibility:

1. For a conversion involving a Non-Gut Rehabilitation of a prior use of the building that was legally created within the past three years, the engineer's report (or functionally equivalent documentation for jurisdictions that do not require an engineer's report) must state:
 - That the project is structurally sound
 - The condition and remaining useful life of the major project components are sufficient to meet the residential needs of the project; and
 - That there is no evidence that any of these conditions have not been met

Note: Major components include the roof, elevators and mechanical systems such as HVAC, plumbing and electricity.

2. All rehabilitation work involved in the conversion (Non-Gut Rehabilitation **and** Gut Rehabilitation) must be completed in a professional manner

3. A review of the engineer's report (or functionally equivalent documentation) is not required for conversions involving:

- A Gut Rehabilitation, and
- A Non-Gut Rehabilitation if more than three years have elapsed since the legal creation of the project

(h) Mortgagee consent

1. The Project Documents or applicable State law must provide that amendments of a material adverse nature to First Lien mortgagees be agreed to by mortgagees that represent at least 51% of the unit votes (based on one vote for each first Mortgage owned) subject to First Lien Mortgages
2. The Project Documents or applicable State law must provide that any action to terminate the legal status of the project or to use insurance proceeds for any purpose other than to rebuild must be agreed to by First Lien mortgagees that represent at least 51% of the unit votes (based on one vote for each first Mortgage owned) that are subject to First Lien Mortgages
3. The Project Documents may allow implied approval to be assumed when the then current mortgagee of record fails to submit a response to any written proposal for an amendment within 60 days after the then current mortgagee of record actually receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested

(i) Rights of Condominium mortgagees and guarantors

The Project Documents, applicable State law, or any applicable insurance policy must give the mortgagee and guarantor of the Mortgage on any unit in a Condominium Project the right to timely written notice of:

1. Any condemnation or casualty loss that affects either a material portion of the Condominium Project or the unit securing its Mortgage
2. Any 60-day Delinquency in the payment of assessments or charges owed by the owner of any unit for which it holds the Mortgage
3. A lapse, cancelation, or material reduction of any insurance policy maintained by the HOA
4. Any proposed action that requires the consent of a specified percentage of mortgagees

(j) First mortgagee's rights confirmed

The Project Documents must not give a Condominium Unit owner or any other party priority over any rights of the first mortgagee of the Condominium Unit pursuant to its Mortgage in the case of payment to the unit owner of proceeds from termination, or insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

(k) Requirements when a Seller relies on a project reserve study for New Condominium Projects

The reserve study must comply with the following requirements:

1. The reserve study generally must include:
 - An inventory of major components of the project
 - Financial analysis and evaluation of current reserve fund adequacy; and
 - Proposed annual reserve funding plan
2. A reserve study's financial analysis must validate that the project has appropriately allocated the recommended reserve funds to provide the Condominium Project with sufficient financial protection comparable to Freddie Mac's standard budget requirements for replacement reserves
3. The reserve study's annual reserve funding plan, which details total costs identified for replacement components, must meet or exceed the study's recommendation and conclusion
4. The most current reserve study (or update) must be dated within 36 months of the Seller's determination that a Condominium Project is eligible (see Section 5701.2(a)(2))
5. The reserve study must be prepared by an independent expert skilled in performing such studies (such as a reserve study professional, a construction engineer, a certified public accountant who specializes in reserve studies, or any professional with demonstrated experience and knowledge in completing reserve studies)
6. The reserve study must meet or exceed requirements set forth in any applicable state statutes
7. The reserve study must comment favorably on the project's age, estimated remaining life, structural integrity and the replacement of major components

If the Seller relies on a reserve study that meets the requirements of this section, the project's budget must contain appropriate allocations to support the costs identified in the study.

The Seller must obtain and retain in the Mortgage file a copy of the reserve study. The Seller must also perform an analysis of the study and retain this analysis in the Mortgage file.

(l) Requirements when a Seller relies on contributions to a working capital fund for New Condominium Projects

When a Seller relies on contributions to a working capital fund, the following requirements must be met:

1. The Project Documents must require the purchaser of a Condominium Unit to pay a non-refundable and non-transferable assessment to a working capital fund which must be established for the periodic maintenance, repair and replacement of the Common Elements
2. The assessment must be equal to a minimum of at least two months of the HOA fees attributable to the Condominium Unit and be due and payable at closing
3. The developer is in control of the HOA

(m) New Condominium Project sold with excessive Seller contributions

If a builder, developer or property seller offers financing or sale arrangements (such as rent-backs, payments of principal, interest, taxes and insurance) for Condominium Unit Mortgages in a New Condominium Project these contributions must comply with the interested party contribution requirements of Section 5501.6.

(n) New Condominium Projects in Florida

Mortgages secured by attached units in New Condominium Projects in Florida are not eligible, except when the projects have an “Approved by Fannie Mae” status designation in Fannie Mae’s Condo Project Manager™ (refer to Section 5701.9(a) for additional information).

Note: If the requirements for New Condominium Projects in this Section 5701.6 are met, then the Seller is not required to comply with the requirements for any of the other project review types in Sections 5701.4 (Streamlined review), 5701.5 (Established Condominium Project reviews), 5701.7 (Exempt from review) and 5701.9 (Reciprocal project reviews).

5701.7: Exempt From Review (03/05/25)

This section contains:

- [Eligible Mortgages](#)

- [Condominium Project eligibility](#)
- [General project eligibility requirements](#)
- [Additional requirements](#)

To be eligible under Exempt From Review, the requirements below must be met.

(a) Eligible Mortgages

The Mortgage must be one of the following:

- Secured by a Condominium Unit in a 2- to 4-Unit Condominium Project
- Secured by a Detached Condominium Unit
- A Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgage; or
- A Refi Possible® Mortgage

(b) Condominium Project eligibility

The Condominium Project must meet the following:

- Not be a Condominium Hotel or similar type of transient housing, a houseboat project, a timeshare project, or a project with segmented ownership (all as described in Section 5701.3)
- Not include Manufactured Homes, unless the Condominium Unit Mortgage is a Refi Possible Mortgage
- For Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgages and for Refi Possible Mortgages, the Condominium Project is not in need of Critical Repairs and does not have an evacuation order. (See Sections 5701.3(n) and 5701.3(o) for details.)

(c) General project eligibility requirements

The general project eligibility requirements in Section 5701.2(b) must be met.

Additionally, attached and semi detached units within projects containing Detached Condominium Units may not be delivered as Exempt From Review unless:

- They are within a 2- to 4-Unit Condominium Project; or
- They meet the requirements for Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgages or Refi Possible Mortgages

(d) Additional requirements

The following table outlines additional requirements that must be met based on the type of Condominium Project or Condominium Unit Mortgage:

Additional requirements by Condominium Project or Condominium Unit Mortgage type	
Project/Mortgage type	Requirements
2- to 4-Unit Condominium Projects	<p>The Condominium Project must meet the Glossary definition of a 2- to 4-Unit Condominium Project.</p> <p>Note: The Glossary definitions of Established Condominium Project and New Condominium Project are not applicable.</p>
Detached Condominium Units	<p>The Condominium Unit securing the Condominium Unit Mortgage must meet the Glossary definition of a Detached Condominium Unit.</p>
Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgages	<p>If the Condominium Unit Mortgage being refinanced is currently owned by Freddie Mac in whole or in part or securitized by Freddie Mac, then the Mortgage is exempt from project review provided the following requirements are met:</p> <ul style="list-style-type: none">■ The maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio is 80%■ If available, proof of the ULDD Data Point <i>Related Investor Loan Identifier</i> of the existing Condominium Unit Mortgage is provided in the Mortgage file■ The delivery requirements in Section 6302.16(b)(ii) are met
Refi Possible Mortgages	<p>If the Condominium Unit Mortgage being refinanced is currently owned by Freddie Mac in whole or in part or securitized by Freddie Mac and the Mortgage is being refinanced under the Refi Possible offering, then the Mortgage is exempt from project review provided that:</p> <ul style="list-style-type: none">■ The Mortgage meets all applicable requirements for Refi Possible Mortgages in Chapter 4302■ The delivery requirements in Section 6302.46 are met

Note: If the requirements for Exempt from review in this Section 5701.7 are met, then the Seller is not required to comply with the requirements for any of the other project review types in Sections 5701.4 (Streamlined review), 5701.5 (Established Condominium Project reviews), 5701.6 (New Condominium Project reviews) and 5701.9 (Reciprocal project reviews).

5701.8: Condominium appraisal and underwriting requirements (03/05/25)

This section contains:

- [Appraisal requirements for Condominium Units](#)
- [Underwriting considerations for Condominium Projects with mixed uses and Condominium Projects with live-work Condominium Units](#)
- [Underwriting considerations for Common Elements and Amenities](#)
- [Financing of Limited Common Elements](#)

(a) Appraisal requirements for Condominium Units

(i) General appraisal requirements

The appraiser must report:

- The project name
- The assessments, including special assessments; and
- The property rights for each comparable sale and compare them to the subject project

The appraiser must also identify the Common Elements including the Amenities available to the unit owners, comment on their condition and analyze how they compare to the Common Elements and Amenities of competing projects.

Comparable sales must be from similar Condominium Projects in the same market and compete for the same purchasers.

(ii) Comparable sales selection

Refer to Section 5605.6(g) for specific requirements applicable to units in Established Condominium Projects or in recently converted or New Condominium Projects.

(iii) Additional appraisal requirements for Detached Condominium Units

The appraiser should use similar Detached Condominium Unit comparable sales from the same project or from the same Market Area.

The appraiser may use other types of 1-unit detached comparable sales that are not located in a Condominium Project if the appraiser supports the use of such sales in the appraisal report and reflects any effect that the condominium form of ownership has on the market value and marketability of the subject property.

Each appraisal report must comply with the appraisal requirements in Sections 5604.1 and 5604.2 and Chapter 5605.

(b) Underwriting considerations for Condominium Projects with mixed uses and Condominium Projects with live-work Condominium Units

(i) Condominium Projects with mixed uses

Freddie Mac will purchase eligible Condominium Mortgages in Condominium Projects with a combination of residential, commercial, industrial, office and/or institutional uses provided that the Condominium Mortgages comply with all applicable Freddie Mac requirements, including the Condominium Project review and general Condominium Project eligibility requirements of Section 5701.2 and the project with excessive commercial or non-residential space requirements in Section 5701.3(d).

(ii) Live-work Condominium Units

Freddie Mac will purchase eligible Condominium Mortgages in Condominium Projects with live-work Condominium Units provided that:

- The Condominium Mortgage complies with all applicable Freddie Mac requirements, including the Condominium Project review and general Condominium Project eligibility requirements of Section 5701.2; and
- The primary use of the live-work Condominium Unit is residential and the non-residential use of such Condominium Unit is secondary

(c) Underwriting considerations for Common Elements and Amenities

The project's Common Elements, including Amenities and Limited Common Elements, must be consistent with the nature of the project and similar to those found in competing Condominium Projects within the Market Area.

(d) Financing of Limited Common Elements

Limited Common Elements are portions of Common Elements reserved for use by one or more unit owners but not all unit owners. They are defined in the Project Documents and may include, but are not limited to, balconies or patios serving a single unit, assigned parking spaces or storage bins.

Limited Common Elements that are purchased as part of the Condominium Unit may be financed as part of the Mortgage, and the cost of such Limited Common Elements may be included when determining the sale price and loan-to-value (LTV) ratio.

Only Limited Common Elements may be financed along with the Condominium Unit. Facilities serving the Condominium Unit which are made available to the Condominium Unit by a permit, license or lease (other than in a leasehold condominium), must not be financed as part of a Mortgage, and the cost of the use of such facilities may not be included when determining the sale price and LTV ratio.

5701.8: Condominium appraisal and underwriting requirements (Future effective date 01/26/26)

Refer to Bulletin 2025-7, which announced the policy requirements for Uniform Appraisal Dataset (UAD) 3.6. Sellers may submit to the Uniform Collateral Data Portal® appraisal reports that use UAD 3.6 before the mandatory effective November 2, 2026 version of this section.

This section contains:

- [Appraisal requirements for Condominium Units](#)
- [Underwriting considerations for Condominium Projects with mixed uses and Condominium Projects with live-work Condominium Units](#)
- [Underwriting considerations for Common Elements and Amenities](#)
- [Financing of Limited Common Elements](#)

(a) Appraisal requirements for Condominium Units

(i) General appraisal requirements

The appraiser must report:

- The project name

- The assessments, including special assessments; and
- The property rights for each comparable sale and compare them to the subject project

The appraiser must also identify the Common Elements including the Amenities available to the unit owners, comment on their condition and analyze how they compare to the Common Elements and Amenities of competing projects.

Comparable sales must be from similar Condominium Projects in the same market and compete for the same purchasers.

(ii) Comparable sales selection

Refer to Section 5605.6(g) for specific requirements applicable to units in Established Condominium Projects or in recently converted or New Condominium Projects.

(iii) Additional appraisal requirements for Detached Condominium Units

The appraiser should use similar Detached Condominium Unit comparable sales from the same project or from the same Market Area.

The appraiser may use other types of 1-unit detached comparable sales that are not located in a Condominium Project if the appraiser supports the use of such sales in the appraisal report and reflects any effect that the condominium form of ownership has on the market value and marketability of the subject property.

Each appraisal report must comply with the appraisal requirements in Sections 5604.1 and 5604.2 and Chapter 5605.

(b) Underwriting considerations for Condominium Projects with mixed uses and Condominium Projects with live-work Condominium Units

(i) Condominium Projects with mixed uses

Freddie Mac will purchase eligible Condominium Mortgages in Condominium Projects with a combination of residential, commercial, industrial, office and/or institutional uses provided that the Condominium Mortgages comply with all applicable Freddie Mac requirements, including the Condominium Project review and general Condominium Project eligibility requirements of Section 5701.2 and the project with excessive commercial or non-residential space requirements in Section 5701.3(d).

(ii) Live-work Condominium Units

Freddie Mac will purchase eligible Condominium Mortgages in Condominium Projects with live-work Condominium Units provided that:

- The Condominium Mortgage complies with all applicable Freddie Mac requirements, including the Condominium Project review and general Condominium Project eligibility requirements of Section 5701.2; and
- The primary use of the live-work Condominium Unit is residential and the non-residential use of such Condominium Unit is secondary

(c) Underwriting considerations for Common Elements and Amenities

The project's Common Elements, including Amenities and Limited Common Elements, must be consistent with the nature of the project and similar to those found in competing Condominium Projects within the Market Area.

(d) Financing of Limited Common Elements

Limited Common Elements are portions of Common Elements reserved for use by one or more unit owners but not all unit owners. They are defined in the Project Documents and may include, but are not limited to, balconies or patios serving a single unit, assigned parking spaces or storage bins.

Limited Common Elements that are purchased as part of the Condominium Unit may be financed as part of the Mortgage, and the cost of such Limited Common Elements may be included when determining the sale price and loan-to-value (LTV) ratio.

Only Limited Common Elements may be financed along with the Condominium Unit. Facilities serving the Condominium Unit which are made available to the Condominium Unit by a permit, license or lease (other than in a leasehold condominium), must not be financed as part of a Mortgage, and the cost of the use of such facilities may not be included when determining the sale price and LTV ratio.

5701.8: Condominium appraisal report and underwriting requirements (Future effective date 11/02/26)

This section contains:

- [Appraisal report requirements for Condominium Units](#)
- [Underwriting considerations for Condominium Projects with mixed uses and Condominium Projects with live-work Condominium Units](#)

- [Underwriting considerations for Common Elements and Amenities](#)
- [Financing of Limited Common Elements](#)

(a) Appraisal report requirements for Condominium Units

(i) General appraisal report requirements

The appraisal report must identify the project information for the subject property including, but not limited to:

- The project name
- The monthly fee
- The common Amenities/services

The appraisal report must include a comparison of the subject property's project information to the comparable projects and include any project-related adjustments.

(ii) Comparable sales selection

Refer to Section 5605.7(f) for specific requirements applicable to units in Established Condominium Projects or in recently converted or New Condominium Projects.

(iii) Additional appraisal report requirements for Detached Condominium Units

The appraisal report should include similar Detached Condominium Unit comparable sales from the same project or from the same Market Area.

The appraiser may use other types of 1-unit detached comparable sales that are not located in a Condominium Project if the appraiser supports the use of such sales in the appraisal report and reflects any effect that the condominium form of ownership has on the market value and marketability of the subject property.

Each appraisal report must comply with the appraisal requirements in Sections 5604.1 and 5604.2 and Chapter 5605.

(b) Underwriting considerations for Condominium Projects with mixed uses and Condominium Projects with live-work Condominium Units

(i) Condominium Projects with mixed uses

Freddie Mac will purchase eligible Condominium Mortgages in Condominium Projects with a combination of residential, commercial, industrial, office and/or institutional uses provided that the Condominium Mortgages comply with all applicable Freddie Mac

requirements, including the Condominium Project review and general Condominium Project eligibility requirements of Section 5701.2 and the project with excessive commercial or non-residential space requirements in Section 5701.3(d).

(ii) Live-work Condominium Units

Freddie Mac will purchase eligible Condominium Mortgages in Condominium Projects with live-work Condominium Units provided that:

- The Condominium Mortgage complies with all applicable Freddie Mac requirements, including the Condominium Project review and general Condominium Project eligibility requirements of Section 5701.2; and
- The primary use of the live-work Condominium Unit is residential and the non-residential use of such Condominium Unit is secondary

(c) Underwriting considerations for Common Elements and Amenities

The project's Common Elements, including Amenities and Limited Common Elements, must be consistent with the nature of the project and similar to those found in competing Condominium Projects within the Market Area.

(d) Financing of Limited Common Elements

Limited Common Elements are portions of Common Elements reserved for use by one or more unit owners but not all unit owners. They are defined in the Project Documents and may include, but are not limited to, balconies or patios serving a single unit, assigned parking spaces or storage bins.

Limited Common Elements that are purchased as part of the Condominium Unit may be financed as part of the Mortgage, and the cost of such Limited Common Elements may be included when determining the sale price and loan-to-value (LTV) ratio.

Only Limited Common Elements may be financed along with the Condominium Unit. Facilities serving the Condominium Unit which are made available to the Condominium Unit by a permit, license or lease (other than in a leasehold condominium), must not be financed as part of a Mortgage, and the cost of the use of such facilities may not be included when determining the sale price and LTV ratio.

5701.9: Reciprocal project reviews (03/05/25)

This section contains requirements related to:

- [Fannie Mae-approved and certified projects](#)

■ [FHA-Approved Project review for condominiums](#)

Condominium Unit Mortgages secured by Condominium Units located in Condominium Projects approved by other secondary market participants are eligible for sale to Freddie Mac if the Condominium Unit Mortgages comply with the following requirements:

(a) Fannie Mae-approved and certified projects

Freddie Mac will purchase Mortgages secured by 1-unit residential dwellings in Condominium Projects that either:

- Have an “Approved by Fannie Mae” status designation in Fannie Mae’s Condo Project Manager™ (CPM™); or
- The Seller approved as a Fannie Mae “Full Review,” ensured all data entered into CPM were correct and received a “Certified by Lender” status designation in Fannie Mae’s legacy or updated CPM platform

Note: Condo Project Manager and CPM are trademarks of Fannie Mae.

(i) Requirements as of the Settlement Date

As of the Settlement Date:

1. The project complies with all applicable Fannie Mae eligibility requirements and lender warranties
2. The approval or certification and any terms and conditions set forth in the approval or certification have not expired
3. The Mortgage complies with any stated CPM delivery restrictions (e.g., occupancy type restriction, maximum loan-to-value (LTV) ratios, etc.)
4. The Seller complies with Fannie Mae’s additional obligations for projects approved or certified through CPM. Pursuant to these obligations, if the Seller notified Fannie Mae’s CPM Management team of any new information that may impact a project’s eligibility (e.g., significant deferred maintenance, litigation, etc.), prior to selling the Mortgage to Freddie Mac, the Seller must confirm that the project retained its approved status.
5. The Mortgage file contains documentation of Fannie Mae’s approval as evidenced by:
 - An “Approved by Fannie Mae” status designation (e.g., a copy of the appropriate CPM screen showing that the Condominium Project has an “Approved by Fannie Mae” status designation); or

- Documentation of the Seller’s project approval as a Fannie Mae “Full Review” with a “Certified by Lender” status designation from Fannie Mae’s legacy CPM (certification exported from Fannie Mae Connect) or Fannie Mae’s updated CPM platform (certification printed from the updated CPM platform)
6. The Condominium Project complies with the general project eligibility requirements in Section 5701.2(b)

As required in Section 5701.2(b)(6), the Seller must retain, and provide upon request, documentation to support its analysis that the Condominium Project meets Fannie Mae’s “Full Review” requirements when the Seller received a “Certified by Lender” status designation in Fannie Mae’s legacy or updated CPM platform.

(ii) Additional requirements for Condominium Units in Florida

(A) Established Condominium Projects in Florida

For Mortgages secured by attached Condominium Units in Established Condominium Projects in Florida with a “Certified by Lender” status designation in CPM, the Seller also warrants that the LTV/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio for each property type is as shown in the table below:

LTV/TLTV/HTLTV	
Property type	LTV/TLTV/HTLTV ratio
Primary Residence	75/90/90% or less
Second home	70/75/75% or less
Investment Property	

(B) New Condominium Projects in Florida

Mortgages secured by attached Condominium Units in New Condominium Projects in Florida are only eligible for sale to Freddie Mac if the project has an “Approved by Fannie Mae” status designation in CPM.

(iii) Condominium Projects comprised of Manufactured Homes

Mortgages secured by Condominium Units in Condominium Projects comprised of Manufactured Homes are only eligible for sale to Freddie Mac if:

- The project has an “Approved by Fannie Mae” status designation in CPM; or
- When they comply with the requirements in Section 5701.5(f)

(b) FHA-Approved Project review for condominiums

Freddie Mac will purchase Condominium Unit Mortgages secured by 1-unit residential dwellings in Condominium Projects that have an FHA-Approved Project review if all of the following requirements are met.

(i) Approval process and requirements

1. The Condominium Project must appear on the list of projects approved by the FHA, either by the FHA HUD Review and Approval Process (HRAP) or the FHA Direct Endorsement Lender Review and Approval Process (DELRAP), provided that the Mortgage is an FHA Mortgage, VA Mortgage, Section 502 GRH Mortgage, or HUD-Guaranteed Section 184 Native American Mortgage that complies with the applicable requirements of the Guide, or
2. The Condominium Project must appear on the list of projects approved by FHA through the FHA HRAP, provided that the Mortgage is a conventional Mortgage and:
 - The Condominium Project meets the definition of an Established Condominium Project
 - The Condominium Project is not an ineligible project (Section 5701.3)
 - All general project eligibility requirements in Section 5701.2(b) must be met, and
 - The Mortgage must comply with all other applicable requirements of the Guide

(ii) Seller warranties

When the Seller sells Freddie Mac a Mortgage secured by a unit in a project that meets the requirements for FHA-Approved Projects above, the Seller warrants all of the following as of the Settlement Date:

1. The project is in the “approved” status
2. The project complies with any FHA-approval conditions noted on the FHA website
3. The approval has not yet expired and has not been rescinded or modified in any way
4. The Mortgage file contains documentation of FHA’s approved status (for example, a copy of the appropriate webpage showing that the project is approved and that the approval is current)
5. The Seller is not aware of any circumstances that would make the project ineligible for approval

Note: If the requirements for reciprocal project reviews in this Section 5701.9 are met, then the Seller is not required to comply with the requirements for any of the other project review types in Sections 5701.4 (Streamlined reviews), 5701.5 (Established Condominium Project reviews), 5701.6 (New Condominium Project reviews) and 5701.7 (Exempt from review).

5701.10: Condo Project Advisor® – Project Assessment Request (PAR) (03/31/25)

Condo Project Advisor, accessible through Freddie Mac Loan Advisor®, allows authorized Sellers to submit a Project Assessment Request (PAR) to obtain feedback (referred to as the PAR findings) regarding a Condominium Project's compliance with the project review requirements assessed by Condo Project Advisor. A Condominium Project's PAR findings are also available in Loan Product Advisor® when Condo Project Advisor identifies the property address submitted in Loan Product Advisor and the project has a PAR status assigned.

This section contains requirements related to:

- [Mortgages eligible for purchase](#)
- [Submission timing](#)
- [Mortgage identification](#)
- [PAR findings](#)
- [Assessed and non-assessed project review requirements](#)
- [Project Certified Submission \(PCS\) review process](#)
- [Documentation requirements for Mortgages with PAR findings](#)
- [Representations and warranties](#)
- [Delivery requirements](#)

(a) Mortgages eligible for purchase

To be eligible for purchase the Mortgage must:

- Be secured by a Condominium Unit in an Established Condominium Project
- Be a Loan Product Advisor Mortgage

- Not be secured by a Condominium Unit in a Condominium Project with a Not Eligible status PAR finding

(a) Submission timing

For Condo Project Advisor, the PAR may be submitted at any time during the loan origination process but must be submitted prior to sale of the related Mortgage to Freddie Mac.

For Loan Product Advisor, the Mortgage must be submitted to Loan Product Advisor pursuant to the requirements in Section 5101.1(b).

(b) Mortgage identification

The PAR is applicable only to the Mortgage identified on the Condo Project Advisor Feedback Certificate or the Last Feedback Certificate, as applicable, and is not applicable to any other Mortgage secured by a Condominium Unit located in the same Condominium Project.

The Mortgage identified will be the Mortgage for which the Seller enters one of the following in Condo Project Advisor:

- The LP Key Number, an alphanumeric identifier, listed on the Feedback Certificate, which may also be referred to as the LP AUS Key Number or the Loan Prospector Key Number, or
- Seller loan number/identifier

(i) Retail Mortgages

For Retail Mortgages, the LP Key Number or the Seller loan number must be entered into Condo Project Advisor, and it must be identical to the LP Key Number or Seller loan number delivered in Loan Selling Advisor®.

(ii) Non-Retail Mortgages

For non-Retail Mortgages, the LP Key Number must be entered into Condo Project Advisor, and it must be identical to the LP Key Number delivered in Loan Selling Advisor.

(c) PAR findings

Seller is responsible for ensuring compliance with the project review requirements specified in the last PAR findings (see Section 5701.10(d)(iii) below). See Section 5701.10(h) for details about representations and warranties.

Freddie Mac will not purchase a Mortgage secured by a Condominium Unit in a Condominium Project assigned a “Not Eligible” status by Condo Project Advisor. See table below.

See Section 5701.10(d)(ii) below for changes to PAR findings.

(i) PAR finding status

The following table describes the PAR findings by status:

PAR findings by status	
Status	Requirements
Project Certified Status	<p>If Condo Project Advisor finds that the Condominium Project complies with all requirements assessed for this status, Condo Project Advisor will assign a “Project Certified” status to the project.</p> <p>The term “Project Certified” means that Condo Project Advisor is assessing only the requirements of the Glossary definition of an Established Condominium Project, Section 5701.3 regarding ineligible Condominium Projects and Section 5701.5 regarding Established Condominium Projects.</p> <p>See Section 5701.10(f) for details on submitting a Condominium Project for a PCS review.</p>
Green status	<p>If Condo Project Advisor finds that the Condominium Project complies with all the requirements assessed for this status, Condo Project Advisor will assign a “Green” status to the project.</p>
Yellow status	<p>If Condo Project Advisor finds that the Condominium Project does not comply with one or more of the requirements assessed, Condo Project Advisor will assign a “Yellow” status to the project.</p> <p>The Condo Project Advisor Feedback Certificate will include a “Proceed with Caution” section with messages relating to requirements that need to be addressed before the Mortgage can be sold to Freddie Mac. The Loan Product Advisor Feedback Certificate will provide similar feedback messages, titled “Condo Project,” in the Property and Appraisal Messages section.</p> <ul style="list-style-type: none"> ■ If one of the messages indicates that the project may not be an Established Condominium Project, the Seller must first determine that the project complies with that requirement ■ If Seller determines that the project is an Established Condominium Project, the related Condominium Unit Mortgage may be eligible for sale to Freddie Mac if the Seller fully analyzes the project review and general eligibility requirements identified on the later of the Condo

PAR findings by status	
Status	Requirements
	Project Advisor Feedback Certificate or the Last Feedback Certificate (see Section 5701.10(d)(iii) below) and determines that the project complies with the requirement(s)
Incomplete Assessment status	<p>If Condo Project Advisor is unable to perform the assessment, Condo Project Advisor will assign an “Incomplete Assessment” status to the Condominium Project.</p> <p>A Mortgage secured by a Condominium Unit in a Condominium Project with an “Incomplete Assessment” status may be eligible for sale to Freddie Mac if the Seller fully analyzes all project review requirements (Section 5701.2(a)) and general eligibility requirements (Section 5701.2(b)) and determines the project complies with all the requirements.</p>
Not Eligible status	<p>If Condo Project Advisor finds that a Condominium Project does not meet certain Condominium Project review and general eligibility requirements, Condo Project Advisor will assign a “Not Eligible” status to the project.</p> <p>Mortgages secured by a Condominium Unit in a Condominium Project that receive this status are ineligible for sale to Freddie Mac and will be identified as such in Output (as defined in Section 2401.1(b)) of Condo Project Advisor, Loan Product Advisor, Loan Quality Advisor and Loan Selling Advisor.</p> <p>A Condominium Project without a “Not Eligible” status does not mean that the project complies with all of Freddie Mac’s project review and general eligibility requirements or that Freddie Mac will purchase any Mortgage secured by a Condominium Unit in that project. For a Condominium Project without a “Not Eligible” status, Seller must ensure compliance with all applicable requirements in this Chapter and all other requirements of the Purchase Documents.</p>

(ii) Changes to PAR findings

For all PAR findings, including those submitted through the PCS review process, if a Seller or, if applicable, a Related Third Party, becomes aware of any information that could impact, or that is inconsistent with, a project’s PAR findings, the Seller or Related Third Party must contact Freddie Mac at ProjectInfo@FreddieMac.com and provide the specific information. Seller must notify Freddie Mac as soon as feasible but no later than five business days after Seller becomes aware of such information.

A Condominium Project’s PAR findings (status and/or feedback messages) may change based on information assessed after Condo Project Advisor assigns a status to the project

and after Seller last accessed Condo Project Advisor and obtained a project's PAR findings.

If the Seller or Related Third Party notified Freddie Mac of any information that could impact, or that is inconsistent with, a project's PAR findings, then, prior to sale of a Condominium Unit Mortgage secured by a unit in that Condominium Project, the Seller must:

- Confirm the Condominium Project's current PAR findings; and
- Ensure compliance with the requirement(s) specified in the last PAR findings (see Section 5701.10(d)(iii) below)

(iii) Last PAR findings

The PAR findings on the Condo Project Advisor Feedback Certificate are the last PAR findings if the date listed in the "Date Issued" field on the Condo Project Advisor Feedback Certificate is later than the date listed in the "Date/Time Assessed" field in the Transaction Details section of the Last Feedback Certificate.

Otherwise, the PAR findings on the Last Feedback Certificate are the last PAR findings.

If submissions in Condo Project Advisor and Loan Product Advisor are made on the same day, then the PAR findings on the Last Feedback Certificate are the last PAR findings.

(d) Assessed and non-assessed project review requirements

(i) Assessed project review requirements for Condominium Projects with a Project Certified status PAR finding

Condo Project Advisor only assesses the following project review requirements for Condominium Projects with a Project Certified status:

Condo Project Advisor assesses	
Project review requirements	Guide location
Definition of an Established Condominium Project	Glossary
Ineligible projects	Section 5701.3
Established Condominium Projects	Section 5701.5

When specified on the Condo Project Advisor Feedback Certificate or the Feedback Certificate, Condo Project Advisor has not assessed the owner-occupancy requirements

in Section 5701.5(b) for Investment Property, and Seller remains responsible for assessing such requirement for Investment Property Mortgages.

(ii) Assessed project review requirements for Green and Yellow status PAR findings

(A) Assessed project review requirements

Condo Project Advisor assesses the following project review requirements for streamlined review (Section 5701.4) and Established Condominium Projects (Section 5701.5) that receive a Green or Yellow status:

Condo Project Advisor assesses	
Project review requirement	Guide location
Definition of an Established Condominium Project	Glossary
Condominium Hotel or similar type of transient housing	Section 5701.3(b)
Project with multi-dwelling units	Section 5701.3(c)
Project with excessive commercial or non-residential space	Section 5701.3(d)
Tenancy-in-common apartment project	Section 5701.3(e)
Timeshare project or project with segmented ownership	Section 5701.3(f)
Houseboat project	Section 5701.3(g)
Project in which the unit owners do not possess sole ownership of the Common Elements	Section 5701.3(h)
Project with excessive single investor concentration	Section 5701.3(j)
Continuing Care Retirement Community (CCRC)	Section 5701.3(k)
Manufactured Homes	Section 5701.3(l)

Condo Project Advisor assesses	
Project review requirement	Guide location
Project with mandatory dues or similar membership fees for use of Amenities such as clubhouses or recreational facilities	Section 5701.3(m)

(B) Non-assessed project review and general eligibility requirements for Green and Yellow status PAR findings.

Condo Project Advisor does not assess the following project review and general eligibility requirements for streamlined review and Established Condominium Projects that receive a Green or Yellow status:

I. Streamlined review (Section 5701.4)

Condo Project Advisor does NOT assess	
Project review requirement	Guide location
Expiration of project review is within one year prior to the Note Date	Section 5701.2(a)(3)
The Condominium Project remains in full compliance with applicable State law, the requirements of the jurisdiction in which the Condominium Project is located, and with all other applicable laws and regulations governing the Condominium Project	Section 5701.2(a)(4)
Projects in which the unit owners do not have an undivided ownership interest or leasehold interest in the land on which the project is located	Section 5701.3(a)
Project in litigation	Section 5701.3(i)
Project in need of Critical Repairs	Section 5701.3(n)
Project with an evacuation order	Section 5701.3(o)
Maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios	Section 5701.4(b)

Condo Project Advisor does NOT assess	
Project review requirement	Guide location
Special assessments	Section 5701.4(c)

II. Established Condominium Projects (Section 5701.5)

Condo Project Advisor does NOT assess	
Project review requirement	Guide location
Expiration of project review is within one year prior to the Note Date	Section 5701.2(a)(3)
The Condominium Project remains in full compliance with applicable State law, the requirements of the jurisdiction in which the Condominium Project is located, and with all other applicable laws and regulations governing the Condominium Project	Section 5701.2(a)(4)
Projects in which the unit owners do not have an undivided ownership interest or leasehold interest in the land on which the project is located	Section 5701.3(a)
Project in litigation	Section 5701.3(i)
Project in need of Critical Repairs	Section 5701.3(n)
Project with an evacuation order	Section 5701.3(o)
Owner-occupancy requirements for Established Condominium Projects	Section 5701.5(b)
Project budget requirements for Established Condominium Projects	Section 5701.5(c)
Delinquent assessments for Established Condominium Projects	Section 5701.5(d)

Condo Project Advisor does NOT assess	
Project review requirement	Guide location
Requirements when a Seller relies on a project reserve study for Established Condominium Projects	Section 5701.5(e)
Manufactured Homes	Section 5701.5(f)

(iii) Non-assessed general eligibility requirements for all PAR status findings

Condo Project Advisor does not assess the general Condominium Project eligibility requirements in Section 5701.2(b).

(e) Project Certified Submission (PCS) review process

Condo Project Advisor may specify on certain PARs, or the Loan Product Advisor Feedback Certificate may indicate, that a Condominium Project is eligible to be submitted for a Project Certified review through the Condo Project Advisor PCS process. Such submissions may be made only through Condo Project Advisor. Prior to submission, the Seller is not required to determine that a Condominium Project meets the requirements of Sections 5701.3 (Ineligible projects), 5701.5 (Established Condominium Projects), and the Glossary definition of an Established Condominium Project.

If Condo Project Advisor finds that the Condominium Project meets the requirements for Project Certified, the project will be assigned a Project Certified status. The provisions of Section 5701.10 applicable to projects with a Project Certified status are also applicable to projects with a Project Certified status obtained through a PCS review.

(i) PCS timing

The project must be submitted and receive a Project Certified status PAR finding prior to the sale of the related Mortgage to Freddie Mac.

(ii) PCS requirements

The Seller must submit the following documents to Freddie Mac for review:

- Seller full review questionnaire dated within 180 days of PCS request date;
- Condominium Project Addendum Form 476A or similar documentation to determine if a project is in need of Critical Repairs;
- Any structural and/or mechanical inspection that has been completed within 3 years of the Seller's PCS request date;

- Current approved budget; and
- Such other documentation/information as Freddie Mac may request from time to time

Except for the information required by the PCS review, Sellers must not provide any Borrower-related information or other Mortgage information in connection with their PCS request.

(f) Documentation requirements for Mortgages with PAR findings

For all PAR findings, the Condo Project Advisor Feedback Certificate or the Last Feedback Certificate, whichever contains the last PAR findings as defined in Section 5701.10(d)(iii), must be:

- Maintained in the Mortgage file; and
- Dated within 120 days of the Note Date

(g) Representations and warranties

(i) Project Certified status PAR findings

For a subject Mortgage secured by a Condominium Unit in a Condominium Project with a Project Certified status PAR finding, Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the project review requirements that Condo Project Advisor assessed if:

- Condo Project Advisor found the project complied with the requirement(s); and
- The PAR findings are detailed on the later of a non-transferrable Condo Project Advisor Feedback Certificate or the Last Feedback Certificate maintained in the Mortgage file

Seller remains responsible for:

- Compliance with the general eligibility requirements in Section 5701.2(b); and
- Compliance with the owner occupancy requirements indicated in Sections 5701.5(b) when specified on the later of the Condo Project Advisor Feedback Certificate or the Last Feedback Certificate

Except as provided by this Section 5701.10(h)(i), the Seller remains responsible for compliance with all other requirements of the Purchase Documents.

(ii) Green or Yellow status PAR findings

For a subject Mortgage secured by a Condominium Unit in a Condominium Project with a Green or Yellow status PAR finding, Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the project review requirements that Condo Project Advisor assessed if:

- Condo Project Advisor found the project complied with the requirement(s); and
- The PAR findings are detailed on the later of a non-transferrable Condo Project Advisor Feedback Certificate or the Last Feedback Certificate maintained in the Mortgage file

The following table outlines the requirements for a Condominium Project with a Green or Yellow status PAR finding:

Requirements by PAR finding status	
PAR finding status	Requirements
Green status	<p>Seller does not need to ensure compliance with all the project review requirements assessed by Condo Project Advisor.</p> <p>Seller must ensure compliance with:</p> <ul style="list-style-type: none">■ The project review requirements (Section 5701.2(a)) that Condo Project Advisor does not assess■ The general eligibility requirements (Section 5701.2(b)) that Condo Project Advisor does not assess; and■ All other requirements of the Purchase Documents
Yellow status	<p>When Condo Project Advisor finds that the Condominium Project does not comply with one or more of the requirements it assesses, Seller must ensure compliance with such identified requirement(s).</p> <p>Seller must also ensure compliance with:</p> <ul style="list-style-type: none">■ The project review requirements (Section 5701.2(a)) that Condo Project Advisor does not assess■ General eligibility requirements (Section 5701.2(b)) that Condo Project Advisor does not assess; and■ All other requirements of the Purchase Documents

(iii) Incomplete Assessment status PAR finding

For an Incomplete Assessment status PAR finding, Seller must ensure compliance with:

- All project review requirements (Section 5701.2(a)); and
- All general eligibility requirements (Section 5701.2(b))

(h) Delivery requirements

All eligible Mortgages with PAR findings must be delivered to Freddie Mac within 120 days after the Note Date. If the Mortgage is not delivered within 120 days after the Note Date, the Seller must submit a new PAR and obtain a new Condo Project Advisor Feedback Certificate or Loan Product Advisor Last Feedback Certificate (if resubmission in Loan Product Advisor is an option pursuant to the requirements in Section 5101.1(b)) prior to delivery.

In connection with the sale of each Mortgage with a Green or Yellow status PAR finding, Seller must deliver “K01” as the Investor Feature Identifier. See Section 6302.20 for more information.

In connection with the sale of each Mortgage with a Project Certified status PAR finding, Seller must deliver “J97” as the Investor Feature Identifier. See Section 6302.20 for more information.

Note: If the requirements for Condominium Projects with a Project Certified status in this Section 5701.10 are met, then Seller is not required to comply with the requirements for any of the project review types in Sections 5701.4 (Streamlined reviews), 5701.5 (Established Condominium Project reviews), 5701.6 (New Condominium Project reviews), 5701.7 (projects exempt from review) and 5701.9 (Reciprocal project reviews).

5701.10: Condo Project Advisor® – Project Assessment Request (PAR) (Future effective date 07/28/25)

Condo Project Advisor, accessible through Freddie Mac Loan Advisor®, allows authorized Sellers to submit a Project Assessment Request (PAR) to obtain feedback (referred to as the PAR findings) regarding a Condominium Project’s compliance with the project review requirements assessed by Condo Project Advisor. A Condominium Project’s PAR findings are also available in Loan Product Advisor® when Condo Project Advisor identifies the property address submitted in Loan Product Advisor and the project has a PAR status assigned.

This section contains requirements related to:

- [Mortgages eligible for purchase](#)

- [Submission timing](#)
- [Mortgage identification](#)
- [PAR findings](#)
- [Assessed and non-assessed project review requirements](#)
- [Project Certified Submission \(PCS\) review process](#)
- [Documentation requirements for Mortgages with PAR findings](#)
- [Representations and warranties](#)
- [Delivery requirements](#)

(a) Mortgages eligible for purchase

To be eligible for purchase the Mortgage must:

- Be secured by a Condominium Unit in an Established Condominium Project
- Be a Loan Product Advisor Mortgage
- Not be secured by a Condominium Unit in a Condominium Project with a Not Eligible status PAR finding

(b) Submission timing

For Condo Project Advisor, the PAR may be submitted at any time during the loan origination process but must be submitted prior to sale of the related Mortgage to Freddie Mac.

For Loan Product Advisor, the Mortgage must be submitted to Loan Product Advisor pursuant to the requirements in Section 5101.1(b).

(c) Mortgage identification

The PAR is applicable only to the Mortgage identified on the Condo Project Advisor Feedback Certificate or the Last Feedback Certificate, as applicable, and is not applicable to any other Mortgage secured by a Condominium Unit located in the same Condominium Project.

The Mortgage identified will be the Mortgage for which the Seller enters one of the following in Condo Project Advisor:

- The LP Key Number, an alphanumeric identifier, listed on the Feedback Certificate, which may also be referred to as the LP AUS Key Number or the Loan Prospector Key Number, or
- Seller loan number/identifier

(i) Retail Mortgages

For Retail Mortgages, the LP Key Number or the Seller loan number must be entered into Condo Project Advisor, and it must be identical to the LP Key Number or Seller loan number delivered in Loan Selling Advisor®.

(ii) Non-Retail Mortgages

For non-Retail Mortgages, the LP Key Number must be entered into Condo Project Advisor, and it must be identical to the LP Key Number delivered in Loan Selling Advisor.

(d) PAR findings

Seller is responsible for ensuring compliance with the project review requirements specified in the last PAR findings (see Section 5701.10(d)(iii) below). See Section 5701.10(h) for details about representations and warranties.

Freddie Mac will not purchase a Mortgage secured by a Condominium Unit in a Condominium Project assigned a “Not Eligible” status by Condo Project Advisor. See table below.

See Section 5701.10(d)(ii) below for changes to PAR findings.

(i) PAR finding status

The following table describes the PAR findings by status:

PAR findings by status	
Status	Requirements
Project Certified Status	<p>If Condo Project Advisor finds that the Condominium Project complies with all requirements assessed for this status, Condo Project Advisor will assign a “Project Certified” status to the project.</p> <p>The term “Project Certified” means that Condo Project Advisor is assessing only the requirements of the Glossary definition of an Established</p>

PAR findings by status	
Status	Requirements
	<p>Condominium Project, Section 5701.3 regarding ineligible Condominium Projects and Section 5701.5 regarding Established Condominium Projects.</p> <p>See Section 5701.10(f) for details on submitting a Condominium Project for a PCS review.</p>
Green status	<p>If Condo Project Advisor finds that the Condominium Project complies with all the requirements assessed for this status, Condo Project Advisor will assign a “Green” status to the project.</p>
Yellow status	<p>If Condo Project Advisor finds that the Condominium Project does not comply with one or more of the requirements assessed, Condo Project Advisor will assign a “Yellow” status to the project.</p> <p>The Condo Project Advisor Feedback Certificate will include a “Proceed with Caution” section with messages relating to requirements that need to be addressed before the Mortgage can be sold to Freddie Mac. The Loan Product Advisor Feedback Certificate will provide similar feedback messages, titled “Condo Project,” in the Property and Appraisal Messages section.</p> <ul style="list-style-type: none"> ■ If one of the messages indicates that the project may not be an Established Condominium Project, the Seller must first determine that the project complies with that requirement ■ If Seller determines that the project is an Established Condominium Project, the related Condominium Unit Mortgage may be eligible for sale to Freddie Mac if the Seller fully analyzes the project review and general eligibility requirements identified on the later of the Condo Project Advisor Feedback Certificate or the Last Feedback Certificate (see Section 5701.10(d)(iii) below) and determines that the project complies with the requirement(s)
Incomplete Assessment status	<p>If Condo Project Advisor is unable to perform the assessment, Condo Project Advisor will assign an “Incomplete Assessment” status to the Condominium Project.</p> <p>A Mortgage secured by a Condominium Unit in a Condominium Project with an “Incomplete Assessment” status may be eligible for sale to Freddie Mac if the Seller fully analyzes all project review requirements (Section 5701.2(a)) and general eligibility requirements (Section 5701.2(b)) and determines the project complies with all the requirements.</p>

PAR findings by status	
Status	Requirements
Not Eligible status	<p>If Condo Project Advisor finds that a Condominium Project does not meet certain Condominium Project review and general eligibility requirements, Condo Project Advisor will assign a “Not Eligible” status to the project.</p> <p>Mortgages secured by a Condominium Unit in a Condominium Project that receive this status are ineligible for sale to Freddie Mac and will be identified as such in Output (as defined in Section 2401.1(b)) of Condo Project Advisor, Loan Product Advisor, Loan Quality Advisor and Loan Selling Advisor.</p> <p>A Condominium Project without a “Not Eligible” status does not mean that the project complies with all of Freddie Mac’s project review and general eligibility requirements or that Freddie Mac will purchase any Mortgage secured by a Condominium Unit in that project. For a Condominium Project without a “Not Eligible” status, Seller must ensure compliance with all applicable requirements in this Chapter and all other requirements of the Purchase Documents.</p>

(ii) Changes to PAR findings

For all PAR findings, including those submitted through the PCS review process, if a Seller or, if applicable, a Related Third Party, becomes aware of any information that could impact, or that is inconsistent with, a project’s PAR findings, the Seller or Related Third Party must contact Freddie Mac at ProjectInfo@FreddieMac.com and provide the specific information. Seller must notify Freddie Mac as soon as feasible but no later than five business days after Seller becomes aware of such information.

A Condominium Project’s PAR findings (status and/or feedback messages) may change based on information assessed after Condo Project Advisor assigns a status to the project and after Seller last accessed Condo Project Advisor and obtained a project’s PAR findings.

If the Seller or Related Third Party notified Freddie Mac of any information that could impact, or that is inconsistent with, a project’s PAR findings, then, prior to sale of a Condominium Unit Mortgage secured by a unit in that Condominium Project, the Seller must:

- Confirm the Condominium Project’s current PAR findings; and
- Ensure compliance with the requirement(s) specified in the last PAR findings (see Section 5701.10(d)(iii) below)

(iii) Last PAR findings

The PAR findings on the Condo Project Advisor Feedback Certificate are the last PAR findings if the date listed in the “Date Issued” field on the Condo Project Advisor Feedback Certificate is later than the date listed in the “Date/Time Assessed” field in the Transaction Details section of the Last Feedback Certificate.

Otherwise, the PAR findings on the Last Feedback Certificate are the last PAR findings.

If submissions in Condo Project Advisor and Loan Product Advisor are made on the same day, then the PAR findings on the Last Feedback Certificate are the last PAR findings.

(e) Assessed and non-assessed project review requirements

(i) Assessed project review requirements for Condominium Projects with a Project Certified status PAR finding

Condo Project Advisor only assesses the following project review requirements for Condominium Projects with a Project Certified status:

Condo Project Advisor assesses	
Project review requirements	Guide location
Definition of an Established Condominium Project	Glossary
Ineligible projects	Section 5701.3
Established Condominium Projects	Section 5701.5

When specified on the Condo Project Advisor Feedback Certificate or the Feedback Certificate, Condo Project Advisor has not assessed the owner-occupancy requirements in Section 5701.5(b) for Investment Property, and Seller remains responsible for assessing such requirement for Investment Property Mortgages.

(ii) Assessed project review requirements for Green and Yellow status PAR findings

(A) Assessed project review requirements

Condo Project Advisor assesses the following project review requirements for streamlined review (Section 5701.4) and Established Condominium Projects (Section 5701.5) that receive a Green or Yellow status:

Condo Project Advisor assesses	
Project review requirement	Guide location
Definition of an Established Condominium Project	Glossary
Condominium Hotel or similar type of transient housing	Section 5701.3(b)
Project with multi-dwelling units	Section 5701.3(c)
Project with excessive commercial or non-residential space	Section 5701.3(d)
Tenancy-in-common apartment project	Section 5701.3(e)
Timeshare project or project with segmented ownership	Section 5701.3(f)
Houseboat project	Section 5701.3(g)
Project in which the unit owners do not possess sole ownership of the Common Elements	Section 5701.3(h)
Project with excessive single investor concentration	Section 5701.3(j)
Continuing Care Retirement Community (CCRC)	Section 5701.3(k)
Manufactured Homes	Section 5701.3(l)
Project with mandatory dues or similar membership fees for use of Amenities such as clubhouses or recreational facilities	Section 5701.3(m)

(B) Non-assessed project review and general eligibility requirements for Green and Yellow status PAR findings.

Condo Project Advisor does not assess the following project review and general eligibility requirements for streamlined review and Established Condominium Projects that receive a Green or Yellow status:

I. Streamlined review (Section 5701.4)

Condo Project Advisor does NOT assess	
Project review requirement	Guide location
Expiration of project review is within one year prior to the Note Date	Section 5701.2(a)(3)
The Condominium Project remains in full compliance with applicable State law, the requirements of the jurisdiction in which the Condominium Project is located, and with all other applicable laws and regulations governing the Condominium Project	Section 5701.2(a)(4)
Projects in which the unit owners do not have an undivided ownership interest or leasehold interest in the land on which the project is located	Section 5701.3(a)
Project in litigation	Section 5701.3(i)
Project in need of Critical Repairs	Section 5701.3(n)
Project with an evacuation order	Section 5701.3(o)
Maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios	Section 5701.4(b)
Special assessments	Section 5701.4(c)

II. Established Condominium Projects (Section 5701.5)

Condo Project Advisor does NOT assess	
Project review requirement	Guide location
Expiration of project review is within one year prior to the Note Date	Section 5701.2(a)(3)
The Condominium Project remains in full compliance with applicable State law, the requirements of the jurisdiction in which the Condominium Project is located, and with all other	Section 5701.2(a)(4)

Condo Project Advisor does NOT assess	
Project review requirement	Guide location
applicable laws and regulations governing the Condominium Project	
Projects in which the unit owners do not have an undivided ownership interest or leasehold interest in the land on which the project is located	Section 5701.3(a)
Project in litigation	Section 5701.3(i)
Project in need of Critical Repairs	Section 5701.3(n)
Project with an evacuation order	Section 5701.3(o)
Owner-occupancy requirements for Established Condominium Projects	Section 5701.5(b)
Project budget requirements for Established Condominium Projects	Section 5701.5(c)
Delinquent assessments for Established Condominium Projects	Section 5701.5(d)
Requirements when a Seller relies on a project reserve study for Established Condominium Projects	Section 5701.5(e)
Manufactured Homes	Section 5701.5(f)

(iii) Non-assessed general eligibility requirements for all PAR status findings

Condo Project Advisor does not assess the general Condominium Project eligibility requirements in Section 5701.2(b).

(f) Project Certified Submission (PCS) review process

Condo Project Advisor may specify on certain PARs, or the Loan Product Advisor Feedback Certificate may indicate, that a Condominium Project is eligible to be submitted for a Project Certified review through the Condo Project Advisor PCS process. Such submissions may be made only through Condo Project Advisor. Prior to submission, the Seller is not required to determine that a Condominium Project meets the requirements of Sections 5701.3 (Ineligible

projects), 5701.5 (Established Condominium Projects), and the Glossary definition of an Established Condominium Project.

If Condo Project Advisor finds that the Condominium Project meets the requirements for Project Certified, the project will be assigned a Project Certified status. The provisions of Section 5701.10 applicable to projects with a Project Certified status are also applicable to projects with a Project Certified status obtained through a PCS review.

(i) PCS timing

The project must be submitted and receive a Project Certified status PAR finding prior to the sale of the related Mortgage to Freddie Mac.

(ii) PCS requirements

The Seller must submit the following documents to Freddie Mac for review:

- Seller full review questionnaire dated within 180 days of PCS request date;
- Condominium Project Addendum Form 476A or similar documentation to determine if a project is in need of Critical Repairs;
- Any structural and/or mechanical inspection that has been completed within 3 years of the Seller's PCS request date;
- Current approved budget; and
- Such other documentation/information as Freddie Mac may request from time to time

Except for the information required by the PCS review, Sellers must not provide any Borrower-related information or other Mortgage information in connection with their PCS request.

(g) Documentation requirements for Mortgages with PAR findings

For all PAR findings, the Condo Project Advisor Feedback Certificate or the Last Feedback Certificate, whichever contains the last PAR findings as defined in Section 5701.10(d)(iii), must be:

- Maintained in the Mortgage file; and
- Dated within 120 days of the Note Date

(h) Representations and warranties

(i) Project Certified status PAR findings

For a subject Mortgage secured by a Condominium Unit in a Condominium Project with a Project Certified status PAR finding, Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the project review requirements that Condo Project Advisor assessed if:

- Condo Project Advisor found the project complied with the requirement(s); and
- The PAR findings are detailed on the later of a non-transferrable Condo Project Advisor Feedback Certificate or the Last Feedback Certificate maintained in the Mortgage file

Seller remains responsible for:

- Compliance with the general eligibility requirements in Section 5701.2(b); and
- Compliance with the owner occupancy requirements indicated in Sections 5701.5(b) when specified on the later of the Condo Project Advisor Feedback Certificate or the Last Feedback Certificate

Except as provided by this Section 5701.10(h)(i), the Seller remains responsible for compliance with all other requirements of the Purchase Documents.

(ii) Green or Yellow status PAR findings

For a subject Mortgage secured by a Condominium Unit in a Condominium Project with a Green or Yellow status PAR finding, Freddie Mac will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the project review requirements that Condo Project Advisor assessed if:

- Condo Project Advisor found the project complied with the requirement(s); and
- The PAR findings are detailed on the later of a non-transferrable Condo Project Advisor Feedback Certificate or the Last Feedback Certificate maintained in the Mortgage file

The following table outlines the requirements for a Condominium Project with a Green or Yellow status PAR finding:

Requirements by PAR finding status	
PAR finding status	Requirements
Green status	<p>Seller does not need to ensure compliance with all the project review requirements assessed by Condo Project Advisor.</p> <p>Seller must ensure compliance with:</p> <ul style="list-style-type: none"> ■ The project review requirements (Section 5701.2(a)) that Condo Project Advisor does not assess ■ The general eligibility requirements (Section 5701.2(b)) that Condo Project Advisor does not assess; and ■ All other requirements of the Purchase Documents
Yellow status	<p>When Condo Project Advisor finds that the Condominium Project does not comply with one or more of the requirements it assesses, Seller must ensure compliance with such identified requirement(s).</p> <p>Seller must also ensure compliance with:</p> <ul style="list-style-type: none"> ■ The project review requirements (Section 5701.2(a)) that Condo Project Advisor does not assess ■ General eligibility requirements (Section 5701.2(b)) that Condo Project Advisor does not assess; and ■ All other requirements of the Purchase Documents

(iii) Incomplete Assessment status PAR finding

For an Incomplete Assessment status PAR finding, Seller must ensure compliance with:

- All project review requirements (Section 5701.2(a)); and
- All general eligibility requirements (Section 5701.2(b))

(i) Delivery requirements

All eligible Mortgages with PAR findings must be delivered to Freddie Mac within 120 days after the Note Date. If the Mortgage is not delivered within 120 days after the Note Date, the Seller must submit a new PAR and obtain a new Condo Project Advisor Feedback Certificate or Loan Product Advisor Last Feedback Certificate (if resubmission in Loan Product Advisor is an option pursuant to the requirements in Section 5101.1(b)) prior to delivery.

Note: If the requirements for Condominium Projects with a Project Certified status in this Section 5701.10 are met, then Seller is not required to comply with the requirements for any of

the project review types in Sections 5701.4 (Streamlined reviews), 5701.5 (Established Condominium Project reviews), 5701.6 (New Condominium Project reviews), 5701.7 (projects exempt from review) and 5701.9 (Reciprocal project reviews).

5701.11: Condo Project Advisor® – Project Waiver Request (PWR) (03/05/25)

Condo Project Advisor®, accessible through Freddie Mac Loan Advisor®, allows authorized Sellers to submit a request for project waiver requests (referred to as a Project Waiver Request (PWR)) for Established Condominium Projects that do not meet certain Condominium Project eligibility requirements. Approved PWRs are issued a Condo Project Advisor Feedback Certificate.

This section contains requirements related to:

- [General eligibility](#)
- [Documentation requirements for Mortgages with approved PWRs](#)
- [Representations and warranties](#)
- [Delivery requirements](#)

(a) General eligibility

(i) Established Condominium Project

To be eligible for a PWR, the Condominium Unit Mortgage must be secured by a Condominium Unit in an Established Condominium Project.

However, a Condominium Project that meets all other requirements for an Established Condominium Project, other than the 75% percentage conveyance to unit purchasers, may still be considered as an Established Condominium Project on a case-by-case basis if:

1. The developer retained more than 25% of the units for rental purposes; and
2. The developer has owned these units for a minimum of 10 years

(ii) Project eligibility categories

The Condominium Project must comply with the project eligibility requirements for Established Condominium Projects detailed in Section 5701.5 and all other applicable

requirements in Chapter 5701, except for the following Condominium Project eligibility categories:

1. Delinquent assessments – Section 5701.5(d)
2. Excessive commercial space – Section 5701.3(d)
3. Project in which the unit owners do not possess sole ownership of the Common Elements (referred to as “Leased Amenities” in Condo Project Advisor) – Section 5701.3(h)
4. Pending litigation (includes Alternative Dispute Resolution (ADR) proceedings) – Section 5701.3(i)
5. Owner occupancy (referred to as “Project Unit Occupancy” in Condo Project Advisor) – Section 5701.5(b)
6. Reserves for capital expenditures and deferred maintenance – Section 5701.5(c)
7. Excessive single investor concentration (referred to as “Single Entity Ownership” in Condo Project Advisor) – Section 5701.3(j)

(iii) Submission timing

The PWR may be submitted at any time during the loan origination process but must be submitted prior to sale of the related Condominium Unit Mortgage to Freddie Mac.

(iv) Mortgage identification

An approved PWR is applicable to only the Mortgage identified on the Condo Project Advisor Feedback Certificate and is not applicable to any other Mortgage secured by a Condominium Unit located in the same Condominium Project. The Mortgage identified will be the Mortgage in connection with which the Seller enters one of the following in the “Enter ID/Key” field in Condo Project Advisor:

1. The Loan Product Advisor key alphanumeric identifier
2. The Fannie Mae Desktop Underwriter® key alphanumeric identifier (referred to as Casefile ID in Desktop Underwriter), or
3. The Doc File ID alphanumeric identifier issued in connection with submission of the appraisal data to the Uniform Collateral Data Portal®

(b) Documentation requirements for Mortgages with approved PWRs

The Condo Project Advisor Feedback Certificate must be maintained in the applicable Mortgage file.

(c) Representations and warranties

In connection with a Mortgage with an approved PWR, Freddie Mac will accept the Condo Project Advisor Feedback Certificate and will not exercise its remedies, including the issuance of repurchase requests, in connection with a breach of the Seller's selling representations and warranties related to the Condominium Project review and eligibility requirements identified on the Condo Project Advisor Feedback Certificate.

The Seller remains responsible for compliance with all other requirements of their Purchase Documents.

(d) Delivery requirements

Condominium Unit Mortgages with approved PWRs must be delivered to Freddie Mac within 120 days after the Note Date.

If the Condominium Unit Mortgage is not delivered within 120 days after the Note Date, the Seller must submit a new PWR and obtain a new Condo Project Advisor Feedback Certificate prior to delivery.

5701.12: Delivery requirements for Condominium Unit Mortgages (03/05/25)

This section contains requirements related to:

- [Uniform underwriting and transmittal summary form](#)
- [Homeowners Association \(HOA\) taxpayer identification number\(s\) \(TIN\(s\)\)](#)
- [Other delivery requirements](#)

(a) Uniform underwriting and transmittal summary form

The Seller must select the appropriate project classification on Form 1077, Uniform Underwriting and Transmittal Summary, or indicate the appropriate project classification on an alternative equivalent form, and check the appropriate boxes based upon the Uniform Loan Delivery Dataset (ULDD) valid values in the table below. These categories correspond to the valid values to be delivered, as indicated.

Project/Unit Type or Project Review Type	Project classification - Form 1077 or alternative equivalent form	<i>Project Classification Identifier (Sort ID 42)</i>
Streamlined reviews (Section 5701.4)	Streamlined Review	Streamlined Review*
Established Condominium Projects (Section 5701.5)	Established Project	Full Review
New Condominium Projects (Section 5701.6)	New Project	Full Review
2- to 4-Unit Condominium Project (Section 5701.7)	Exempt From Review	Exempt From Review
Detached Condominium Project (Section 5701.7)	Exempt From Review	Exempt From Review*
Detached Condominium Units (Section 5701.7)	Exempt From Review	Exempt From Review
Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgage (Section 5701.7)	Exempt From Review	Exempt From Review
Refi Possible® Mortgage (Section 5701.7)	Exempt From Review	Exempt From Review

Project/Unit Type or Project Review Type	Project classification - Form 1077 or alternative equivalent form	<i>Project Classification Identifier (Sort ID 42)</i>
Reciprocal project reviews – Fannie Mae-approved and Seller certified projects (Section 5701.9)	Reciprocal review and enter CPM Project ID# in the CPM Project ID# field	Condo Project Manager™ Review
Reciprocal review – FHA Approved Project (Section 5701.9)	Reciprocal review and FHA-approved	FHA_Approved
Condominium Projects with a Project Certified status PAR finding (Section 5701.10)	Exempt From Review	Exempt From Review

* See “Notes” for Sort ID 42 in Section 6302.20(b).

The Seller must use only one category of Freddie Mac’s project classifications listed on Form 1077 or an alternative equivalent form. Below are examples of the appropriate category to select for an Established Condominium Project with a streamlined review and a Condominium Project that contains a mix of attached and detached units.

Example 1: Established Condominium Project with a streamlined review

Although the Seller could classify a Condominium Project in more than one category (i.e., an Established Condominium Project with a streamlined review could be coded either as an “Established project” or a “Streamlined review”), the Seller should classify such a Condominium Project as a “Streamlined review”; the Seller should select the “Established project” category only if Seller is unable to use the Streamlined review and must do a Full Review for an Established project.

Example 2: Condominium Project that contains a mix of attached, detached and semi detached units

If a Condominium Project contains a mix of attached, detached and semi detached units and the valid value for ULDD Data Point *Project Attachment Type* (Sort ID 41) is “Attached,” the Seller may perform a streamlined review in compliance with the requirements of Section

5701.4. In this case, the Seller must select the appropriate project classification of “Streamlined review” on Form 1077 or alternative equivalent form.

The Seller should select the “Exempt From Review” category and enter “Detached Project” for the valid value for ULDD Data Point *Project Attachment Type* (Sort ID 41) only if the project meets the Glossary definition of a Detached Condominium Project (i.e., is comprised solely of Detached Condominium Units).

When a “Reciprocal Review” is identified, the Seller must also provide additional information as shown above. For Fannie Mae-approved and certified projects, the CPM Project ID# must be entered in the “Fannie Mae Condo Project Manager™ Project ID” field.

(b) Homeowners Association (HOA) taxpayer identification number(s) (TIN(s))

Sellers are encouraged to obtain and deliver the TIN(s) for the HOA if available.

See Section 6302.20(b)(i) for details.

(c) Other delivery requirements

See Section 6302.20 for delivery and pooling requirements for Condominium Unit Mortgages, in addition to delivery requirements for Fannie Mae-approved and certified projects.

5701.13: Credit Fees for Condominium Unit Mortgages (03/05/25)

The Seller must refer to Exhibit 19, Credit Fees, for Credit Fees related to Condominium Units, including Detached Condominium Units. Credit Fees are paid in accordance with the Credit Fee provisions stated in Chapter 6303.