



Put Your Condo Mortgage Financing Into High Gear

If you are looking to get ahead in the condo financing space, Freddie Mac's easy [three-step process](#) can help drive more condo originations for you.

As you review our complete condo requirements in Chapter 5701 of our *Single-Family Seller/Servicer Guide* (Guide), consider the following tips to discover additional flexibilities and opportunities for your business and your borrowers.

Did you know?

- If the requirements of one project review type are met, you do not have to meet the requirements of the others. Some examples:
 - If you meet the requirements under streamlined review in Guide Section 5701.4, you do not need to meet the requirements of Section 5701.5, *Established Condominium Projects*.
 - If a 2- to 4-unit condo project received a Fannie Mae PERS final approval or a CPM certification, and the requirements of Guide Section 5701.9, *Reciprocal Project Reviews*, are met, there is no need to meet the requirements in Guide Section 5701.7, *2- to-4 unit Condominium Projects*.
- **Maximum financing.** If the LTV/TLTV/HTLTV requirements are not specified for a condo project review type in Guide Chapter 5701, our maximum financing requirements in Guide Section 4203.4 apply.
- **Home Possible mortgages.** Condos are eligible for Freddie Mac Home Possible® mortgages. Offer your borrowers the affordable features of Home Possible, including the 97% LTV/105% TLTV ratios of Home Possible AdvantageSM.
- **For a New Condominium Project**, you can deliver mortgages secured by units that will be used as investment properties, if the condo project meets the 70% owner-occupancy requirement outlined in Guide Section 5701.6(c).
- **For 2- to 4-unit condo projects**, one unit in the project may be an investment property, since our requirement states that all but one unit in the project must have been conveyed to buyers who occupy their units as their primary residence or second home. A 2- to 4-unit condo project consists of at least two, but no more than four units.

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Did you know? Continued

- **For a detached condo unit**, Freddie Mac will buy the mortgage on a unit that will be used as a primary residence, a second home, or an investment property, regardless of whether the structure is newly built or is an existing unit. You only need to meet the requirements for detached condo projects in Guide Section 5701.7(b).
- **For budget requirements for Established and New Condominium Projects**, you have flexibility in reviewing the project's budget. The required 10% to fund replacement reserves for capital expenditures and deferred maintenance may come from various line item allocations in the budget and not from any specific line item.
- **With a reciprocal project review**, you can sell mortgages secured by condo units in any eligible project type to Freddie Mac, as long as the project receives a Fannie Mae PERS final project approval or a CPM project acceptance certification and meets the requirements of Guide Section 5701.9, *Reciprocal Project Reviews*. We also have flexibilities in our reciprocal project review requirements so you can deliver mortgages secured by the following types of condo units:
 - Manufactured homes if the project received final project approval through Fannie Mae's PERS process.
 - Attached units in New Condominium Projects in Florida if the project received final project approval through Fannie Mae's PERS process.
 - Attached units occupied as primary residences or second homes in Established Condominium Projects in Florida if the project received an acceptance certification through Fannie Mae's CPM process and the mortgage meets the LTV/TLTV/HTLTV requirements in Guide Section 5701.9(a).

For More Information

Take advantage of these additional resources and increase your condo business.

- Condominium Project Review [fact sheet](#).
- [Determining Condominium Project and Mortgage Eligibility](#) job aid.
- Webinar on [Condominium Project Eligibility Requirements](#).
- Call your Freddie Mac representative.
- Call Customer Support (800-FREDDIE) and select "2" for loan origination/underwriting.