

Condominium Mortgage Environment

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Together we'll go far



Project Approval Options

- FNMA or HUD
- Non-Warrantable Programs
- FNMA “Good House Keeping” Seal of Approval
 - 51% presale to owner occupants
 - 10% reserves
 - 15% max delinquent HOA dues
 - 10% max single entity ownership
 - Insurance – Walls In (HO-6) & Fidelity

Projects < 51% Presold

- FNMA Sub-phasing
- Early Occupancy w/ Rental
 - Active marketing
 - Separate P&S contract
 - 12 month max lease
 - Notice to vacate clause
- Construction Lender Portfolio
- Seller Carried Financing
- Contracts for Deed or Installment Contracts do not count as presales

New HUD Guidelines:

- Base Requirements Effective 12/07/09
- 50% max FHA concentration (expires 12/31/10)
- 30% new construction pre-sale (expires 12/31/10)
- 50% owner occupancy of presold units
- 10% reserves or adequate reserve study
- Elimination of Early Start Ltr/10 Yr HOW with Building Permit, CO and 3 jurisdictional inspections
- Reduction to 2 units minimum
- Elimination of detached site condo reviews
- 2 year approvals
- FNMA/FHLMC reciprocity – unknown

Mortgage Insurance Availability:

- Additional retractions
- Desire to increase “quality” volume
- Varies lender by lender
 - 51% presold
 - 51% conveyed
 - 70% presold
 - 70% conveyed
- Expansion based on...
 - Value stabilization
 - Inventory depletion
 - Performance
 - Exposure

Q & A