



## Condo Documentation – what to submit for documentation

There are several options when working with a condo. Each program (USDA, VA, FHA and Conventional) offer the ability to finance condo loans. Knowing what each program needs is important when deciding the best way to finance this home type. This sheet will direct on the documentation or process for Condo Approval. For LTV requirements or limitations, please visit [www.fsbtpo.com](http://www.fsbtpo.com) to review the program matrix's. You will find these under Forms & Tools.

### Conventional Condo Documentation requirements:

The options for this will be either a streamline review or a full review. To determine which review the condo will fall in, please see the *Instruction Sheet labeled "Determining the review type for Conventional Condo loans"*.

#### **Streamline review:**

If the condo association will qualify for a streamline review, we will need the following to approve.

- Short form condo questionnaire (available at [www.fsbtpo.com](http://www.fsbtpo.com))
- Legal & recorded documents of the covenants, conditions and restrictions, declaration of condominium and by-laws of condo association.
- Homeowners Association certification
- Homeowners Association Master Insurance Policies

#### **Full review or Established review:**

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

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

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

### FHA Condo Approval

If you have a Condo Association that is not approved with FHA, but needs to be, then you will need a lender to assist you with this process through HUD. FSB will submit the documentation but will not gather the information. The Loan Officer or company wishing to get the association approved must prepare the approval package and send to [govrequests@flanagansstatebank.com](mailto:govrequests@flanagansstatebank.com) for FSB to submit to HUD. The approval process typically takes 2 – 4 months.

The items HUD will need for approving a Condo Association:

- Recorded documents of HOA – Bylaws (must be signed by board member), recorded CC&R's (aka Declarations or Master Deed), Articles of Incorporation on file with state
- Recent balance sheet & income statement (within 60 days)
- Current Budget
- Prior year end income statements
- Homeowners Association Master Insurance Policies
- Fidelity Bond Dec Page
- Management company agreement including services (if HOA under a management company)
- Condo questionnaire – long form

Documents can be sent to [govrequests@flanagansstatebank.com](mailto:govrequests@flanagansstatebank.com).

To review the Condo Project Approval and Processing Guide, please use this link:

<http://portal.hud.gov/hudportal/documents/huddoc?id=11-22mlguide.pdf>

## VA Condo Approval

This is completed by the Broker or Correspondent. The process with VA can take as little as 30 days and up to 90 days. Once a condo association is approved by VA it does not expire. The VA process is a 2 step process. The first review is at the Regional Loan Center where a review is completed by a VA Staff Appraiser. Once the Staff Appraiser approves the association information, it is then sent to the Legal Team. The Legal Team will review all the governing documents. The process time frame varies according to the workload of these staff members at the time of submission.

To submit to VA for Condo Approval, the following documents are required:

- Declarations of Covenants, Conditions and Restrictions (CC&R's). aka Declarations or Master Deed - recorded
- Signed Bylaws for HOA
- Articles of Incorporation for HOA
- Management Agreement (only needed if managed by a management company)
- HOA Budget
- Homeowners Association Master Insurance Policies
- Current Financial Statements (income statement and balance sheet)
- Minutes of last 2 HOA Meetings
- Recorded Amendments for annexation
- Plat Map and/or Air Lot Survey
- Condominium Plans - with county recorder's stamp that includes date
- Condo questionnaire – long form
- Cover letter requesting approval. The letter is to include: a) the name, address and telephone number of the requester submitting the package; b) the address of project (city, county, state and zip); c) total number of phases and units in the project; and d) if the complex is new or existing, how many units sold.

To locate your Regional Loan Center, visit [www.benefits.va.gov/homeloans/contact\\_rlc\\_info.asp](http://www.benefits.va.gov/homeloans/contact_rlc_info.asp)

The documentation listed here is a starting point and depending on the information that is presented, each agency may require further information.

If you have further questions, please feel free to contact us at [mtgsupportcenter@flanagansstatebank.com](mailto:mtgsupportcenter@flanagansstatebank.com).