

Deephaven Condominium Project Questionnaire - Answer Key

I: Basic Project Information	
1	Check project legal name against appraisal and title
2	No action required
3	No action required
4	Check HOA name against appraisal and title
5	No action required
6	No action required
7	No action required
8a	If checked, ineligible. Non-warrantable guidelines allow short-term vacation rental projects case-by-case.
8b	If checked, ineligible. Age-restricted communities are allowed.
8c	If checked, ineligible.
8d	If checked, ineligible.
8e	If checked, ineligible.
8f	If checked, ineligible.

II: Project Completion Information	
1	YES: No action required NO: Project is considered a 'new' project and FNMA PERS approval is required
1a	YES: Acceptable if all phases are complete NO: No action required
1b	YES: Acceptable if all phases are complete NO: Condo is considered a single-phase project
1c	Project may not be subject to additional phasing or project is considered 'new'.
1d	Project may not be subject to additional phasing or project is considered 'new'.
1e	Project may not be subject to additional phasing or project is considered 'new'.
1f	Amenities and common facilities must be fully complete or project is considered 'new'.
2	YES: Control of the HOA must be turned over to unit owners or project is considered 'new'. NO: Non-warrantable guidelines allow developer to remain in control case-by-case.

III: Newly Converted or Rehabilitated Project Information	
1	Project conversions completed in the past 3 years are not allowed.

IV: Financial Information

1	No more than 15% of the total units in a project may be 60 days or more past due on the payment of association fees. Non-warrantable guidelines allow up to 20%.
2	<p>YES:</p> <ul style="list-style-type: none"> 1 - 6 months is acceptable > 6 months: mortgagee may not be responsible for more than the greater of 6 months OR the maximum amount permitted under applicable state law of delinquent HOA dues. Florida: the first mortgagee's liability for dues assessed prior to its acquisition of title is limited to the lesser of 12 months' assessments or 1% of the original mortgage debt. Exceptions may be requested <p>NO: No action required</p>
3	<p>YES: typically ineligible, but may be acceptable if determined to be minor and immaterial.</p> <p>Non-warrantable guidelines also allow lawsuit(s) case-by-case that are not structural in nature, do not affect the marketability of the units, <u>and</u>:</p> <ul style="list-style-type: none"> Potential damages do not exceed 25% of the HOA reserves OR Documentation must be provided by the insurance carrier or the attorney representing the insurance carrier that the insurance carrier has agreed to provide the defense and the association's insurance policy is sufficient to cover the litigation. <p>NO: No action required</p>

Section V: Ownership & Other Information

1	<p>At least 90% of the total units in the project must be conveyed to the unit purchasers, or project is considered a 'new' project and FNMA PERS approval is required. Non-warrantable guidelines allow a minimum of 50%.</p> <p>At least 50% of the total units in the project must be conveyed to purchasers as primary or second homes. Non-warrantable guidelines allow a minimum of 40%.</p>
2	<p>No single entity, the same individual, investor group, partnership, or corporation may own more than 20% of the total units in the project. Non-warrantable guidelines allow up to 30%.</p> <p>For projects with 1-4 total units, single entity ownership may not exceed 1 unit. For 5-20 unit projects, single entity ownership may not exceed 2 units.</p>
3	<p>YES: No action required</p> <p>NO: All facilities related to the project must be owned by the unit owners. HOA cannot be subject to a lease.</p>
4	<p>YES: No more than 35% of the total square footage of the project may be used for commercial purposes. Non-warrantable guidelines allow up to 40% commercial space.</p> <p>NO: No action required</p>
5	No more than 35% of the total square footage of the project may be used for commercial purposes. Non-warrantable guidelines allow up to 40% commercial space.

Section VI: Insurance Information and Financial Controls

1	<p>YES: Ensure flood insurance coverage is sufficient.</p> <p>NO: No action required</p>
2	No action required.
3	Review insurance documentation for acceptability.