

**Conventional Program: Florida Condominium Overlay Matrix**

**Summary**

Product Types	30-year Fixed, 15-year Fixed, 5/1, 7/1 & 10/1 ARMs
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**Conforming – Attached Condominiums - Established**

**Purchases and Rate/Term Refinances**

Occupancy Type	Minimum FICO	Property Type	Max LTV (Full or PERS Review)	Max LTV/CLTV/HCLTV (Limited Review)
Owner Occupied	620	Condo	97% Fixed 90% ARM	75%
Second Homes	620	Condo	90% Fixed 80% ARM	70%
Investment <sup>1</sup> Properties	620	Condo	85% Fixed 75% ARM	N/A

- Reduce Max LTV on investment properties by 10% for LCOR**

**Cash-Out Refinances**

Occupancy Type	Minimum FICO	Property Type	Max LTV (Full or PERS Review)	Max LTV/CLTV/HCLTV (Limited Review)
Owner Occupied	620	Condo	80% Fixed 75% ARM	75%
Second Homes	620	Condo	75% Fixed 65% ARM	70% Fixed 65% ARM
Investment Properties	620	Condo	75% Fixed 65% ARM	N/A

**Additional Condo Requirements to all requirements below**

Eligible Review Types	<ul style="list-style-type: none"> <li>Limited, CPM or PERS and Full Reviews with CPM</li> <li>PERS or Full Review w/ CPM required for all investment properties</li> <li>PERS reviews must have already been completed</li> <li>Freddie Mac Exempt Florida Condo Projects are ineligible</li> </ul>
Automated Underwriting	<ul style="list-style-type: none"> <li>DU Approve/Eligible only</li> <li>LP is not acceptable</li> </ul>
Debt Ratio	<ul style="list-style-type: none"> <li>Per DU</li> </ul>

**Property Requirements**

Condo/PUD Projects	<p>Condos must have completed HOA questionnaire &amp; HO6 insurance.</p> <p><b>Ineligible Projects</b>          NDM will not lend on the following types of projects:</p> <ul style="list-style-type: none"> <li>Condo hotels – a project that is managed and operated as a hotel or motel is considered a condo hotel or condominium hotel. If any of the following are present, the project is considered a condo hotel:             <ul style="list-style-type: none"> <li>The project includes registration services/rental desk and offers unit rentals on a daily basis</li> <li>The name of the project includes —hotel or —motel</li> <li>The project limits or restricts the owner ability to occupy the unit</li> <li>The project has a mandatory rental pool that requires the unit owners to either rent their unit or to give a management firm control over the occupancy of the unit.</li> <li>The project offers cleaning services</li> <li>The project offers services such as a commercial hotel even though the units are individually owned.</li> </ul> </li> <li>Projects with non-incident business operations owned or operated by the homeowners association. Examples are a restaurant, spa, health club, beauty parlor, etc.</li> <li>Projects which have any commercial space.</li> <li>Projects that are classified as investment securities. If the project has documents on file with the Securities and Exchange Commission or if the project is promoted or characterized as an investment opportunity.</li> <li>Any project or building that is owned by several owners as tenants-in-common, or by a homeowners association in which individuals have an undivided interest in a residential apartment building and land, and have the right to exclusive occupancy of a specific apartment in the building.</li> <li>Timeshare or segmented ownership projects</li> <li>Houseboat projects</li> <li>Co-ops</li> <li>Multi-dwelling unit condominiums which permit an owner to hold title to more than one unit with ownership evidenced by one single deed and financed by a single mortgage.</li> <li>Condominium projects that represent a legal non-conforming use of the land, if zoning regulations prohibit rebuilding the improvements to current density should there be partial or full destruction.</li> <li>Projects on leased land that do not meet Fannie Mae’s requirements.</li> <li>Projects in which the recreational facilities are leased.</li> <li>Any project in which the homeowners association or developer is named as a party to current litigation. Projects in which the homeowners association or developer is named as the plaintiff in a foreclosure action or as a plaintiff in an action for past due homeowners’ association dues are eligible.</li> <li>Any project in which 15% or more of the total units are greater than 30 days delinquent on the dues and/or the total number of delinquent units is greater than 15%.</li> <li>Projects with inadequate reserves.</li> <li>Projects with deed restrictions (i.e. first right of refusal).</li> <li>Units that are appraised as a condo, but there is no recorded Master Declaration.</li> <li>Projects which are unable to supply the necessary condominium documents for a full review or projects that do not meet the eligibility requirements.</li> <li>Projects that do not meet the owner occupied/second home occupancy ratio.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Condo projects with excessive sales/financing structures.</li> <li>• Any project in which NDM has met its maximum exposure ratio of 10%.</li> <li>• Condominium property that is a construction-to-permanent transaction.</li> <li>• The Project is in an area zoned primarily for transient accommodations.</li> <li>• The unit is fully furnished.</li> <li>• The unit does not have a full kitchen.</li> <li>• The Project provides any of the following services:           <ul style="list-style-type: none"> <li>○ Management desk</li> <li>○ Bellman – Doorman, Guard &amp; Security services are acceptable</li> <li>○ Maid services</li> <li>○ Phone service</li> <li>○ Centralized utilities, for example: Central telephone or cable</li> <li>○ Centralized key system not in negotiated terms</li> </ul> </li> <li>• New or newly converted condos</li> <li>• Freddie Mac Exempt condos</li> <li>• Projects with units less than 600 sqft</li> </ul>
<p>Second Homes</p>	<ul style="list-style-type: none"> <li>• Must be suitable for year-round occupancy</li> <li>• Must be occupied by the borrower for some portion of the year</li> <li>• The borrower must have exclusive control over the property</li> <li>• Must not be a rental property or timeshare arrangement</li> <li>• Cannot be subject to any agreement that gives management firm control over the occupancy of the property</li> <li>• Must be located greater than 75 miles from the primary residence</li> </ul>