

Conventional CPM- Condominium Full Lender Review Questionnaire for New Projects

1. Project Name: _____

2. Name of Association: _____

3. Property address of Project (not condo unit being mortgaged):

4. What was the year the Project was built: _____

5. What is the total number of units in the entire Project? _____

6. What is the total number of legal phases in Project? _____

The Subject Property is located in what phase number: _____

7. Is the Project 100% complete, including all units, common elements and amenities, and not subject to additional phasing?

YES or NO

8. If the Project is not a 100% complete:

a. How many units are complete? _____

b. How many units are incomplete? _____

c. What common elements and/or amenities are incomplete?

9. Is the Subject Phase (phase in which unit to be mortgaged is located) 100% complete, including all units, common elements and amenities? YES or NO

10. If the Subject Phase is not 100% complete:

a. How many units are complete? _____

b. How many units are incomplete? _____

c. What common elements and/or amenities are incomplete?

11. What is the total number of units in the Subject Phase? _____

(If greater than two phases, complete the phasing addendum at the end of this document)

12. What is the total number of units that have been sold and conveyed to unit purchasers?

In the entire Project: _____

In the Subject Phase: _____

13. What is the total number of units currently for sale by the developer?

In the entire Project: _____ In the Subject Phase: _____

a. What is the total number of units currently for sale by the developer which are under a bona fide contract of sale?

In the entire Project: _____ In the Subject Phase: _____

14. What is the total number of units for sale by unit owners?

In the entire Project: _____ In the Subject Phase: _____

15. What is the total number of units that are owner-occupied?

In the entire Project: _____ In the Subject Phase: _____

16. What is the total number of units that are second homes?

In the entire Project: _____ In the Subject Phase: _____

17. What is the total number of units that are rented/leased (investment properties)?

In the entire Project: _____ In the Subject Phase: _____

18. What is the total number of units retained by the developer? _____

In the entire Project: _____ In the Subject Phase: _____

If any, will developer sell or maintain units? _____

19. If the Project and/or subject phase is not 100% complete, is there a bond letter or completion assurance for the incomplete elements and amenities? YES or NO

If yes, please provide a copy.

20. Is the unit securing the mortgage 100% complete? YES or NO

21. Has the Homeowners' Association (HOA) been turned over to the unit owners? YES or NO

If yes, provide the date that the transfer occurred? _____

22. Is the Project a condominium hotel or motel? YES or NO

23. Is the Project a timeshare or a segmented ownership project? YES or NO

24. Is the Project a houseboat project? YES or NO

25. Is the Project a multi-dwelling unit condominium (in which ownership of multiple units is evidenced by a single deed and mortgage)? YES or NO

26. Is the Project an Investment Security? YES or NO

27. Is the Project a common interest apartment or community apartment project? YES or NO

28. Does the Project have any non-incidental business operation owned or operated by the Homeowners' Association?
YES or NO

29. Is the Project a cooperative? YES or NO

30. Is the Project a planned unit development (PUD)? YES or NO

31. Is the Project a manufactured housing project? YES or NO

If yes, does the project only consist of single width manufactured housing units? YES or NO

32. Is the Homeowners' Association (HOA) named as a party to a pending litigation? YES or NO

If yes, provide letter from the HOA on HOA letterhead disclosing the nature and status of the litigation.

Please take note that a letter from the attorney representing HOA may be required if further clarification is required.

33. Is the developer named as a party to pending litigation involving this Project? YES or NO

If yes, provide letter from developer's attorney disclosing the nature and status of the litigation.

34. Is any part of the Project used for nonresidential (commercial) purposes? YES or NO

If yes, what percentage of square footage is used for nonresidential purposes? _____

If yes, what is the nonresidential space used for? _____

Note: Commercial space managed by or operated under a separate association, as well as rental apartments and/or parking facilities owned by a third party are to be considered in the calculation of the percentage of the Project's commercial space.

35. Are there any units in the Project that are used as both residential and commercial (e.g. professional artist studio) a.k.a. "Live Work Units"? YES or NO

If YES, please describe: _____

36. Does any single entity (the same individual, investor group, partnership, corporation, etc.) own more than 10% of the total units in the project (If the Project has fewer than 10 units, does any single entity own more than 1 unit)? YES or NO

Note: Units owned by the developer/sponsor that are currently subject to any lease arrangement, which may or may not contain a provision allowing for the future purchase of the unit (including but not limited to lease-purchase or lease-to-own agreements), are to be included in the calculation.

Units that are owned by the developer/sponsor that are vacant and are being actively marketed for sale are not to be included in the calculation.

37. Is the Project a full gut rehabilitation conversion? YES or NO

If YES, what year did the conversion take place? _____

If YES, what was the building's prior use? _____

If YES, what major components of the Project have been replaced? _____

38. Is the Project a non-gut rehabilitation conversion? YES or NO

If YES, what year did the conversion take place? _____

If YES, what was the building's prior use? _____

If YES, what major components of the Project have been replaced? _____

39. How is the property held? Fee Simple Leasehold Other _____

If held in a Leasehold, provide Leasehold Agreement.

40. Have at least 90% of the total units in the entire Project been conveyed to unit purchasers?

YES or NO

41. Has control of the homeowners' association (HOA) been turned over to the unit purchasers?

YES or NO

If yes, provide the date that the transfer occurred? _____

42. Does the Project have attached units? YES or NO

43. Does the Project contain one or more units with less than 400 sq. feet of space? YES or NO

44. Are there any monthly assessments delinquent more than 60 days? YES or NO

Please provide the number of units that are delinquent and the dollar amount outstanding?

\$ _____

45. What are the monthly Homeowners' Association (HOA) fees for the Project? Provide range if amounts vary.

\$ _____

46. Does the Homeowners' Association (HOA) budget provide adequate funding for the proper management and operation of the Project? YES or NO

47. Does the Homeowners' Association (HOA) budget provide funding for replacement reserves of at least 10% of the budget for capital expenditures and deferred maintenance? YES or NO

48. What is the amount currently held in reserves for future repair and/or replacement of major components of the project?
\$ _____

49. What is the total dollar amount of cash and cash equivalents on hand? \$ _____

(Include cash, money market accounts, other highly liquid investments that are readily convertible into cash and purchased with original maturities of three (3) months or less)

50. Does the Project have a reserve study completed within the most recent five (5) years?

YES or NO

If YES, please provide copy of the reserve study.

51. Are there any pending special assessments? YES or NO

If YES, answer a-c below:

a. What is the dollar amount of special assessment per unit? \$ _____

b. What are the terms and conditions of the special assessments? _____
Per unit monthly payment, if any \$ _____; Anticipated paid in full date _____

c. What is the reason for the special assessment? _____

52. Does the Homeowners Association or Management Company maintain separate bank accounts for the working/operating account and the reserve account, each with appropriate access controls, and the bank in which the funds are deposited send copies of the monthly bank statements directly to the Homeowner's Association (HOA)?

YES or NO

53. Are two (2) board members required to sign any checks written on the reserve accounts?

YES or NO

54. For Projects that utilize a management company, does the management company maintain separate records and bank accounts for each Homeowner's Association (HOA) that uses its services, and the management company does not have the authority to draw checks on, or transfer funds from, the Homeowner's Association's reserve account? YES or NO

55. Does the Homeowners' Association (HOA) budget provide adequate funding for insurance deductible amounts?

YES or NO

56. Is hazard insurance in place to cover 100% of the insurable replacement cost of the Project improvements, including the individual units? YES or NO

57. Is the master hazard insurance policy premium paid as part of the common expense by the Homeowner's Association (HOA)? YES or NO

58. Is liability insurance in place providing at least One Million Dollars (\$1,000,000) of coverage for bodily injury and property damage per occurrence? YES or NO

59. Is the master liability insurance policy premium paid as part of the common expense by the Homeowner's Association (HOA)? YES or NO

60. Is flood insurance (if required) in place providing coverage of at least equal to the lesser of 100% of the insurable value of the facilities or the maximum coverage available under NFIP? YES or NO

61. If the Project is located in a flood zone, is the master flood insurance policy premium paid as part of the common expense by the Homeowner's Association (HOA)? YES or NO

62. Is Fidelity Insurance in place covering the maximum amount of funds that will be in the custody of the Homeowners' Association (HOA) or Management Company at any time? YES or NO
(Required if project is 20 or more units)

63. If the Project is required to have fidelity insurance, is the master fidelity insurance policy premium paid as part of the common expense by the Homeowner's Association (HOA)? YES or NO

64. Was the condominium project created and does it exist in full compliance with applicable State law, the requirements of the jurisdiction in which the project is located, and with all other applicable laws and regulations? YES or NO

65. Have the Project's legal documents been legally recorded (Articles of Incorporation, By-Laws, Declarations, etc.)?
YES or NO

66. Do the Project's legal documents contain provisions relating to Rights of First Refusal or any other limitation on the ability to sell/transfer a unit within the project? YES or NO

67. Do the Project's legal documents contain language protecting the rights of first mortgagees?
YES or NO

68. Do the Project's legal documents give mortgagees of units in the project the right to timely notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage? YES or NO

69. Do the Project's legal documents give mortgagees of units in the project the right to timely notice of any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage?
YES or NO

70. Do the Project's legal documents give mortgagees of units in the project the right to timely notice of a lapse, cancellation, or material modification of any insurance policy maintained by the homeowners' association (HOA)? YES or NO

71. Do the Project's legal documents give mortgagees of units in the project the right to timely notice of any proposed action that requires the consent of a specified percentage of mortgagees?

YES or NO

72. Do the Project's legal documents gives a condo unit owner or any other party priority over any rights of the first mortgagee of the condo unit pursuant to its mortgage in the case of payment to the unit owner of insurance proceeds or condemnation awards for losses to or a taking of condo units and/or common elements? YES or NO

73. Do the Projects legal documents provide that amendments of a material adverse nature to mortgagees be agreed to by mortgagees that represent at least 51% of the votes of unit estates that are subject to mortgages? YES or NO

74. Do the Projects legal documents provide that any action to terminate the legal status of the project after substantial destruction or condemnation occurs or for other reasons to be agreed to by mortgagees that represent at least 51% of the votes of the unit estates that are subject to mortgages? YES or NO

75. Do the Projects legal documents provide for may provide for implied approval to be assumed when a mortgagee fails to submit a response to any written proposal for an amendment within 60 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a return receipt requested? YES or NO

76. If a lender obtains title to a unit through foreclosure or deed in lieu of foreclosure, is the lender liable for more than six months of regular common expense assessments? YES or NO

If YES, how many? _____

77. Does the Project have a central heating or cooling system? YES or NO

78. Are there any REO units in the project? YES or NO

If YES, answer a and b below:

a. How many are vacant? _____

b. How many are rented? _____

79. Do the unit owners in the project have the sole ownership interest in, and rights to the use of the project's facilities, common elements, and limited common elements (including roads, parking and amenities)?

YES or NO

80. Are the amenities and facilities, including parking and recreational facilities) subject to a lease between the unit owners or Homeowners' Association (HOA) and another party? YES or NO

81. Are all of the facilities related to the project owned by the unit owners or the HOA? YES or NO

82. Has the developer retained any ownership interest in any of the facilities related to the Project?

YES or NO

83. Are there any leased recreational facilities or any common area leases? YES or NO

84. Is the Project marketed, managed and operated as a hotel or motel, even though the units are individually owned?
YES or NO

85. Does the Project restrict owners' ability to occupy their unit? YES or NO

86. Does the Project have a mandatory rental pooling agreement that requires unit owners to either rent their units or give a management firm control over the occupancy of the units? YES or NO

87. Does the Project include registration services and offer rentals on a daily basis? YES or NO

88. Are hotel like services included in the monthly Homeowner's Assessment fee? YES or NO

89. Is the project a hotel or motel conversion? YES or NO

90. Is the project managed by an independent management company? YES or NO

If YES, what is the name of the company? _____

If the Project is managed by an independent professional management company, are the contract terms between the Homeowner's Association (HOA) and the management company reasonable and equitable? YES or NO

What is the term of the contract between the HOA and the management company? _____

91. If the Project is managed by an independent professional management company, does the contract between the HOA and the management company have a termination provision that requires a penalty payment or advance notice of termination of more than 90 days? YES or NO

92. Do the units have separate metering? YES or NO

If No, is it common and customary in the local market where the Project is located? YES or NO

93. If the units do not have separate metering, does the project budget include adequate funding for utility payments?
YES or NO

94. Besides being divided by a public street, is the Project located on one contiguous parcel of land?
YES or NO

95. Are the structures within the project within reasonable distance from each other? YES or NO

96. Are the common areas and facilities consistent with the nature of the Project and competitive in the marketplace?
YES or NO

97. Is the Property's association part of a master association made up of multiple projects?
YES or NO

If YES, what is the dollar amount of monthly HOA dues that the unit owner pays to the master association?
\$ _____

98. Are there any units that have resale restrictions other than age restrictions? YES or NO

If YES, how many resale restricted units are in the Project? _____

99. If the Project is located in the States of New York or New Jersey, are any of the units rent controlled or rent stabilized units? YES or NO

If YES, answer a-d below: (Provide a copy of the Offering Plan/Master Deed and all amendments)

- a. How many units? _____
- b. Who is the owner of the rent controlled units? _____
- c. What is the number of rent controlled/rent stabilized units sold in the last 12 months? _____
- d. What is the number of rent controlled/rent stabilized units available for sale? _____

100. Is the Project an assisted living community providing meals or medical care? YES or NO

101. Does the Homeowners' Association (HOA) require automatic, non-severable membership for each individual unit owner, and provide for mandatory dues/assessments? YES or NO

102. Are there any circumstances or conditions that would adversely affect the value, condition or marketability of units contained within the Project? YES or NO

If yes, please explain. _____

If project is a 2-4 Unit condominium project, the following questions must also be answered:

1. Does any one person or entity own more than one unit within the Project? YES or NO

Note: Units owned by the developer/sponsor that are currently subject to any lease arrangement, which may or may not contain a provision allowing for the future purchase of the unit (including but not limited to lease-purchase or lease-to-own agreements), are to be included in the calculation.

Units that are owned by the developer/sponsor that are vacant and are being actively marketed for sale are not to be included in the calculation.

2. Are all units, common elements, and facilities within the Project, including those that are owned by any master association a 100% complete? YES or NO

3. Are the units in the project owned in either fee simple or leasehold? YES or NO

4. Are the unit owners the sole owners of, and have rights to the use of, the Project's facilities, common elements and limited common elements? YES or NO

5. How many units in the project are owned as principal residences or second homes? _____

6. How many units are thirty (30) days or more past due on their HOA assessments? _____

This questionnaire must be completed, signed & dated by the HOA Representative.

I, the undersigned, certify that to the best of my knowledge and belief the information and statements contained on this form are true and correct.

HOA Name

Date

HOA Representative (Print & Sign Name)

HOA Representative's
Telephone #

Best time of Day to Contact Preparer

Management Company

PHASING ADDENDUM

Phase #	# of Units in Phase	# of Units Conveyed	# of Units under Bona Fide Contract	# of Units Owner - Occupied/2 nd Home	# of Units Non-Owner Occupied	Phase Complete Y/N
1						
2						
3						
4						
5						
6						
TOTAL						