

**FHA CONDO "SPOT LOAN" APPROVAL CHECKLIST**

(Per ML 96-41)

*Spot Approvals require FAMC exception processing and may be subject to a pricing adjustment.*
**Project Name:** \_\_\_\_\_ **Total # of Units in Project:** \_\_\_\_\_

**Subject Property Address:** \_\_\_\_\_

**FAMC Loan #:** \_\_\_\_\_ **FHA Case #:** \_\_\_\_\_

**Mortgagee:** Franklin American Mortgage Company, FHA ID# 7784800005

**Section 1: To be completed by the HOA representative**

1.	The legal documents of the homeowners association do not contain a right of first refusal or restrictive covenant.	TRUE	FALSE
2.	The unit is part of a condominium regime that provides for common and undivided ownership of common areas by unit owners.	TRUE	FALSE
3.	The project is not a cooperative or Planned Unit Development.	TRUE	FALSE
4.	<b>Circle one:</b> (A) The project is NOT a conversion of previous rental housing. (B) The project IS a conversion of previous rental housing and the conversion documents were recorded more than one year ago. (Recorded conversion docs attached). Ref 4150.1, Section 11-3D	TRUE	FALSE
5.	The project, including the common elements, and those of any Master Association, are complete, and the project is not subject to additional phasing or annexation.	TRUE	FALSE
6.	There are no special assessments pending.	TRUE	FALSE
7.	No legal action is pending against the condominium association, its officers or directors.	TRUE	FALSE
8.	The common areas have been under the control of the homeowners association for at least one year.	TRUE	FALSE
9.	At least 90% of the total units in the project have been sold.	TRUE	FALSE
10.	At least 51% of the total units in the project are owner-occupied.	TRUE	FALSE
11.	There are no adverse environmental factors affecting individual units or the project as a whole.	TRUE	FALSE
12.	No single entity owns more than 10% of the total units in the project.	TRUE	FALSE
13.	<b>Circle one:</b> (A) The units in the project are held by fee simple ownership. (B) The units in the project are held under a leasehold agreement. (Leasehold agreement attached).	TRUE	FALSE
14.	The owners association has a \$1 million liability policy.	TRUE	FALSE
15.	General maintenance level of common elements is acceptable and there is no deferred maintenance.	TRUE	FALSE
16.	The owners association has a reserve plan and a reserve fund, separate from the operating account, that is adequate to prevent deferred maintenance. The amount of the fund is \$_____ as of _____.	TRUE	FALSE
17.	No more than 10% of the units are encumbered by FHA-insured mortgages (20% for projects w/ 30 units or less). How verified: _____ _____ Total Units in Project: _____. (Note: The 10% restriction does not apply when the ownership of less than 3 units would disqualify an otherwise eligible project. Projects < 4 units are ineligible.)	TRUE	FALSE
18.	The project has never been submitted to HUD for approval as an FHA-approved project.	TRUE	FALSE

**Section 2: To be completed by the FAMC Underwriter**

1.	Including this loan, FAMC will have closed FHA mortgages on < 5% of the total units in this project (10% for projects w/30 units or less). How verified: _____ <b>FAMC RESERVES THE RIGHT TO ENFORCE LOWER LIMITS OR DECLINE NEW LOANS IF PREVIOUS LOANS EXHIBIT POOR PERFORMANCE OR IF THE APPRAISAL INDICATES ADVERSE MARKET CONDITIONS.</b>	TRUE	FALSE
2.	The project is not shown in FHA Connection as APPROVED, PENDING, REJECTED, or WITHDRAWN. (Use Search - Status - "ALL")	TRUE	FALSE
3.	There are no FALSE answers above, and I have verified those statements above which are addressed on the appraisal. The project has _____ total units (must be 4 or more to qualify).	TRUE	FALSE

HOA Representative Signature \_\_\_\_\_

Title \_\_\_\_\_

Phone No. \_\_\_\_\_

Date \_\_\_\_\_

FAMC Underwriter Signature \_\_\_\_\_

Date \_\_\_\_\_

updated 4-24-08