



INDUSTRY FACT SHEET: CONDOMINIUM PROJECT APPROVAL	
Approval Processing Options	<p>Projects can be approved by two methods:</p> <ul style="list-style-type: none"> • (HRAP): HUD Review and Approval Process – HUD Staff • (DELRAP): Direct Endorsement Lender Review and Approval Process – DE Lenders
Ineligible Projects	<ul style="list-style-type: none"> • A project is ineligible where the primary usage is not residential
General Project Approval Requirements	<ul style="list-style-type: none"> • Minimum number of units: Project must consist of two or more units. • Right of First Refusal: A right of first refusal is permitted unless it violates the Fair Housing Act. • Commercial Space Limits: No more than 25 percent of the property's total floor area can be used for commercial purposes. • Investor Ownership Limits: No more than 10 percent of the units may be owned by one investor. • Delinquent Home Owners Association (HOA) Dues: No more than 15 percent of the total units can be in arrears (more than 30 days past due) of their condominium association fee payments. • Pre-Sale Requirement: At least 30 percent of the total units must be sold prior to endorsement of a mortgage on any unit. • Owner-Occupancy: At least 50 percent of the units of a project must be owner-occupied or sold to owners who intend to occupy the units. • Maximum Concentration: No more than 50 percent of the total units in an approved project may have outstanding FHA case numbers or active FHA insured loans. New FHA case numbers will not be assigned when the 50 percent threshold has been reached. • Insurance Coverage: The condominium project must be covered by hazard, flood, liability and fidelity insurance as applicable.
Construction Types	<ul style="list-style-type: none"> • Proposed • Under Construction • New (less than one year) • Existing • Substantial Rehabilitation
Detailed Information	<p>Mortgagee Letters - ML 2009-46 A & ML 2009-46 B https://www.hud.gov/offices/adm/hudclips/letters/mortgagee/index.cfm</p> <p>FHA Condominium Mortgage Insurance Page https://www.hud.gov/offices/hsg/sfh/condo/index.cfm</p> <p>Condominium List - Public Search Site https://entp.hud.gov/idapp/html/condlook.cfm</p> <p>Lenders, industry members or consumers can email questions to the FHA Resource Center at info@fhaoutreach.com or call toll free 1-800-CALLFHA (1-800-225-5342)</p>