

Your Guide to

Condominium Financing

Quicken Loans
Engineered to Amaze®

Thinking of buying a condo?

Want to know if the property you've got your eye on is eligible for conventional **Fannie Mae** financing through Quicken Loans? Many factors influence financing eligibility, and some may be out of both your and our control. Here's a list of conditions to help you determine whether or not the condo may qualify.

Deal Breakers

If you answer **YES** to **ANY** of the conditions below, **THE CONDO IS INELIGIBLE FOR FINANCING WITH QUICKEN LOANS AT THIS TIME:**

- The site contains one of the following: houseboat or floating home, segmented ownership, manufactured home, or timeshare units.
- You only have rights to occupy the condo and don't own it. This is also known as "community" or "common interest apartments."
- The property is being used as both a condo and a hotel, or has hotel amenities, such as the ability for the association to do short-term rentals for units in the project.
- The property is a cooperative, meaning a corporation holds the title.
- Less than 51% of the units in the project are occupied as primary or second homes.
- The property is an investment security, which acts as a liquid asset, and has documents on file with the Securities and Exchange Commission (SEC).
- Project facilities are owned by the developer and are subject to be leased by the Homeowners Association (HOA) to another party.
- The project is less than 100% complete, including common areas, units and phases.
- The builder is in control of the HOA.
- The number of units sold and closed is less than 90% of the total units.

Nodding your head yes to any of the above? If so, your condo might not be eligible for Fannie Mae financing.

Not quite sure? No problem.

Give our Home Loan Experts a call at (800) 784-2536.

Caution Ahead

These factors won't disqualify the condo automatically, BUT BE AWARE - THEY MIGHT MAKE FINANCING MORE COMPLICATED:

- You own multiple condos with a single deed.
- The HOA owns or operates businesses, such as a day care or spa.
- More than 25% of the project development is reserved for commercial/nonresidential use, including businesses such as stores or malls.
- Mechanicals, such as plumbing fixtures and furnaces, along with utilities are shared between units.
- The condo is subject to current litigation.
- The property is a former apartment building where all of the units were sold to individual owners.
- The new guideline allows up to 15% of the unit owners to be 60 days delinquent.
- A single entity, such as a corporation or an individual investor, owns more than 10% of the units in the development.
- The development restricts the unit owner's ability to sell by including a right of first refusal (ROFR), which gives a designated person the right to purchase the condo before the offer is made available to others.
- The number of units owned by investors cannot exceed 50% of the total units.
- Less than 10% of the budget is allocated toward replacement reserves.
- The Fidelity Bond insurance is less than 3 months' worth of HOA dues.

Scratching your head in confusion?

Call our Home Loan Experts at (800) 784-2536.

We're happy to answer your questions.



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