



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

(Attach a copy of the recorded Declaration)

Spot Approvals require MSI exception processing and may be subject to a pricing adjustment.

Project Name: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ # Units: \_\_\_\_\_

MSI Loan #: \_\_\_\_\_ FHA Case#: \_\_\_\_\_

**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.	
2. The unit is part of a condominium regime that provides for common land undivided ownership of common areas by unit owners.	
3. The project is not a cooperation of Planned Unit Development.	
4. The project has been turned over > 1 year.	
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.	
6. There are no special assessments pending.	
7. No legal action is pending against the condominium association, its officers or directors.	
8. The common areas have been under the control of the homeowners association for at least one year.	
9. At least 90% of the total units in the project have been sold.	
10. At least 51% of the total units in the project are owner-occupied.	
11. There are no adverse environmental factors affecting individual units or the project as a whole.	
12. No single entity owns more than 10% of the total units in the project.	
13. The units in the project are owned in fee simple or held under an FHA acceptable leasehold agreement. Leasehold in file if applicable.	
14. The owners association has a \$1 million liability policy.	
15. General maintenance level of common elements is acceptable and there is no deferred maintenance.	
16. The owners association has a reserve plan and a reserve fund, separate from the operating amount that is adequate to prevent deferred maintenance. The amount of the fund is \$ _____ as of _____.	
17. No more than 10% of the units are encumbered by FHA-insured mortgages (20% for projects w/30 units or less). How verified:  _____	
(Note: the 10% restriction does not apply when the ownership of less than 3 units would disqualify an otherwise eligible project).	
18. The project was not previously approved by HUD with the approval being withdrawn.	

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

1. Including this loan, MSI will have closed FHA mortgages on <5% of the total units in this project (10% for projects w/30 units or less). How verified:  _____	
2. The project was not previously approved by HUD with the approval being withdrawn. Verified in FHA Connection.	
3. There are no FALSE answers above. (ANY FALSE ANSWER DISQUALIFIES THE PROJECT).	

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

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

MSI Underwriter Signature \_\_\_\_\_ Date \_\_\_\_\_