



Mortgage Services III, LLC
 A Subsidiary of First State Bank Member FDIC

Seller Name:	
Seller ID#:	
Borrower Name:	MSI Loan #
Project Name:	Phase:
Property Address:	

MSI Condo Questionnaire – 2-4 Unit Projects

1. Are all the Common Areas and facilities complete? Yes No
2. Does any single entity own more than one unit? Yes No
3. Are there any pending special assessments? Yes No
 IF yes, explain: _____
4. Have 75% of the units in the project been conveyed to an owner-occupant or second home purchaser? Yes No
5. Is the HOA or unit owners involved in any litigation, arbitration, mediation or other dispute resolution process? Yes No
IF YES, the project is not eligible for purchase by MSI.
6. Are there any adverse environmental factors affecting the project as a whole or the individual units? Yes No
7. How many units are 30 days or more delinquent in their HOA dues? _____
8. Do the project legal documents include any restrictions on sale which would limit the free transferability of title? (i.e. Age Restrictions, First Right of Refusal, other deed/income restrictions) Yes No
9. Is any part of the project used for commercial purposes? Yes No
IF YES, what percentage of square footage? Percentage: _____
 Describe the commercial space: _____
10. HOA is named insured on master insurance policy? Yes No
11. Are common elements/limited common elements insured to 100% replacement cost? Yes No
 Coverage: _____ Deductible: _____ Expiration Date: _____
12. Does the HOA provide hazard insurance coverage for the interior (walls-in) of the unit? Yes No
13. Are units or common improvements located in a flood zone? Yes No
IF YES, is flood insurance in force? Yes No Does this cover at least 80% replacement? Yes No
OR, is this the coverage maximum available per federal flood program? Yes No
14. Is the HOA insured for general liability? Yes No
IF YES, amount per occurrence \$ _____
15. Minimum number of days required for written notification to be given to HOA or insurance trustee before any substantial changes or cancellation of the project coverage? _____
16. Is the project an "ineligible project" in accordance with MSI and/or Fannie Mae Guidelines? Yes No
Note: If the project is a condo operated as a cooperative or condotel, as identified by the presence of hotel-type services (i.e., registration desk and/or use of daily occupancy rates; the availability of food and telephone services; provisions for daily cleaning services) or a time-share type arrangement, the project is ineligible.

Questions 10-15 can be answered with an insurance binder.

Reviewer's Name:	Phone:
Position/Title:	Date:
Reviewer's Signature:	

MSI 2-4 Unit Condo Questionnaire

Answer Key

1.	All common areas and any recreational facilities must be complete for the project to be acceptable.
2.	No single entity may own more than one condominium unit in the condominium project.
3.	If yes, obtain details and consider the impact on all units and marketability.
4.	Maximum 25% (of total number of units sold) rental.
5.	If "yes", the project is not eligible for purchase by MSI.
6.	If "yes", appraiser must address impact on value and marketability.
7.	If more than 15%, the project is not eligible.
8.	See project eligibility requirements in <i>Seller Guide</i> Underwriting <ul style="list-style-type: none"> ✓ Age Restrictions ✓ First Right of Refusal ✓ Other deed or income restrictions.
9.	<= 20%, if more than 20% , the project is not eligible for purchase by MSI.
10.	HOA must be the named insured
11.	Must be insured to 100% Deductible cannot exceed 5% of the policy face amount. The total coverage amount should make sense for the size project. Insurance must be in force at loan closing.
12.	<ul style="list-style-type: none"> ✓ If "yes", no individual interior hazard policy is required by the unit owner. ✓ If "no", interior hazard insurance (walls-in) coverage must be obtained to sufficiently insure everything the unit owner is responsible for: kitchen cabinets, flooring, decorating, lighting fixtures, plumbing fixtures, HVAC systems, built in appliances, and any other improvements necessary.
13.	If "yes", must carry flood Must be 80% current replacement or the max available. Deductible cannot exceed \$25,000.
14.	Must be \$1 million per occurrence
15.	Minimum 10 days
16.	Seller must warrant that project is not an "ineligible" project.