

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.	TRUE	FALSE
2. The unit is part of a condominium regime that provides for common land undivided ownership of common areas by unit owners.	TRUE	FALSE
3. The project is not a cooperation of Planned Unit Development.	TRUE	FALSE
4. The project has been turned over > 1 year.	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. The units in the project are owned in fee simple or held under an FHA acceptable leasehold agreement. Leasehold in file if applicable.	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 amount 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: _____ _____ (Note: the 10% restriction does not apply when the ownership of less than 3 units would disqualify an otherwise eligible project).	TRUE	FALSE
18. The project was not previously approved by HUD with the approval being withdrawn.	TRUE	FALSE

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: _____	TRUE	FALSE
2. The project was not previously approved by HUD with the approval being withdrawn. Verified in FHA Connection.	TRUE	FALSE
3. There are no FALSE answers above. (ANY FALSE ANSWER DISQUALIFIES THE PROJECT).	TRUE	FALSE

HOA Representative Signature _____ Title _____

Phone No. _____ Date _____

MSI Underwriter Signature _____ Date _____