

### Crescent Condo – LP/DU

#### REQUIREMENTS FOR FANNIE MAE & FREDDIE MAC CONFORMING LOANS

Crescent does not do loans for Condos in new projects. Project must conform to established project only and meet Fannie Mae Limited Review requirements or Freddie Mac Streamline Review requirements.

REVISED:

1/11/2019

MAXIMUM LOAN AMOUNT:

Maximum **Conforming** Loan Limit (See the note below the matrix for information on Super Conforming and High Balance loans)

MAXIMUM LTV'S:

ATTACHED UNITS (see p.2 for info on detached units).

Established Projects Only - LP/DU

CONFORMING LOAN AMOUNTS

**ALL STATES EXCEPT FLORIDA**

Occupancy	Transaction	***Max LTV/TLTV/HTLTV LP/DU		Credit Score
Primary	Purchase or Rate/Term	Fixed	90%/90%/90%	620
		ARM	90%/90%/90%	660
	Cash-out	Fixed	80%/80%/80%	640
		ARM	75%/75%/75%	660
Second	Purchase or Rate/Term	Fixed	75%/75%/75%	640
		ARM	75%/75%/75%	660
	Cash-out	Fixed	75%/75%/75%	660
		ARM	65%/65%/65%	680
Investment	Purchase or Rate/Term	Fixed	DU Only 75%/75%/75%	680

**FLORIDA PROPERTIES**

Occupancy	Transaction	***Max LTV/TLTV/HTLTV LP/DU		Credit Score
Primary	Purchase or Rate/Term	Fixed	(Fannie) 75%/90%/90%	620 Fixed
		ARM	(Freddie) 75%/75%/75%	660 ARM
	Cash-out	Fixed	75%/75%/75%	640 Fixed
		ARM	65%/65%/65%	660 ARM
Second	Purchase or Rate/Term	Fixed	(Fannie) 70%/75%/75%	640 Fixed
		ARM	(Freddie) 70%/70%/70%	660 ARM
	Cash-out	Fixed	70%/70%/70%	660 Fixed
		ARM	60%/60%/60%	680 ARM
Investment	Purchase or Rate/Term	Fixed	DU Only 70%/75%/75%	680 Fixed

**Established Projects Only**

- All units & common elements are to be fully completed & not subject to any additional phasing or additions.
- At least 90% of the total units in the project have been conveyed to the unit purchasers other than the developer.
- The unit owners control the H.O. Association.

**For Freddie Mac Super Conforming mortgage or Fannie Mae High Balance mortgage refer to LTV matrix for those specific products and eligible product types. Maximum loan amounts based on specific county loan limits.**

<p><b>ELIGIBLE PROGRAMS:</b></p>	<p>Fixed Rate, 5/1, 7/1, 10/1 ARMS DU Product Code Q LP</p>
<p><b>ELIGIBLE BORROWERS:</b></p>	<p>Primary Residence: Eligible Second Homes: Eligible Investor: Eligible</p>
<p><b>INELIGIBLE PROJECTS:</b></p>	<ul style="list-style-type: none"> <li>▪ Investment Securities-projects where unit ownership is characterized or promoted as an investment opportunity</li> <li>▪ Time Share, fractional, or segmented ownership projects.</li> <li>▪ Projects with mandatory upfront or periodic membership fees for the use of recreational amenities, such as country club facilities and golf courses, owned by an outside party (including the developer or builder). Membership fees paid for the use of recreational amenities owned exclusively by the HOA or master association are acceptable.</li> <li>▪ Projects that are managed and operated as a hotel or motel, even though the units are individually owned.</li> <li>▪ Projects with covenants, conditions, and restrictions that split ownership of the property or curtail an individual borrower’s ability to utilize the property.</li> <li>▪ Projects with property that is not real estate, such as houseboat projects.</li> <li>▪ Any project that is owned or operated as a continuing care facility.</li> <li>▪ Projects with non-incident business operations owned or operated by the HOA including but not limited to, a restaurant, spa, or health club.</li> <li>▪ Projects that do not meet the requirements for live-work projects.</li> <li>▪ Projects in which the HOA is named as a party to pending litigation.</li> <li>▪ Any project that permits a priority lien for unpaid common expenses in excess of Fannie Mae’s priority lien limitations of 6 months.</li> <li>▪ Projects in which a single entity (the same individual, investor group, partnership or corporation) owns more than the following total number of units in the project: <ul style="list-style-type: none"> <li>○ Projects with 2 to 4 units – 1 unit</li> <li>○ Projects with 5 to 20 units – 2 units</li> <li>○ Projects with 21 or more units – 20% Fannie; 10% Freddie</li> </ul> </li> <li>▪ Multi-dwelling unit projects that permit an owner to hold title and the accompanying occupancy rights to more than one dwelling unit, with ownership of all of his or her owned units evidenced by a single deed and financed by a single mortgage.</li> <li>▪ The total space that is used for nonresidential or commercial purposes may not exceed 35%.</li> <li>▪ Projects containing manufactured housing.</li> <li>▪ New or newly converted projects.</li> <li>▪ Projects that represent a legal, but non-conforming, use of the land, if zoning regulations prohibit rebuilding the improvements to current density in the event of their partial or full destruction.</li> </ul>
<p><b>QUALIFYING:</b></p>	<p>LP -- Accept/Accept DU – Approve-Eligible No manual underwrites</p>
<p><b>UNDERWRITING GUIDELINES:</b></p>	<ul style="list-style-type: none"> <li>▪ All projects must still comply with the laws created and existing in the jurisdiction where project is located. (Certificate from attorney who created docs is fine – or endorsement from title company to insure over – i.e. ALTA 4 or 4.1).</li> <li>▪ All unpaid dues when purchasing a foreclosure property must be satisfied.</li> <li>▪ Limited Review Questionnaire must be completed &amp; signed by an officer of the HOA.</li> <li>▪ All loans requiring MI must conform to MI guides, i.e. occupancy, etc.</li> <li>▪ All units must have a separate living/dining space, at least one bedroom and a bath room.</li> </ul>
<p><b>INSURANCE REQUIREMENTS:</b></p>	<ul style="list-style-type: none"> <li>▪ Liability insurance is required</li> </ul>

<p>Detached Condo Units:</p>	<p style="text-align: center;"><b>DETACHED UNITS</b></p> <p>Units in projects that are detached can be approved subject to the following:</p> <ul style="list-style-type: none"> <li>▪ Must be a single detached unit in a condo project</li> <li>▪ The project is not otherwise ineligible</li> <li>▪ The subject property is occupied as the owner's principal residence or second home.</li> <li>▪ Standard LTVs apply (do not have lower LTV restrictions as required on attached units).</li> <li>▪ Units must be truly detached. They cannot be connected by garages, breezeways, etc.</li> </ul>
<p>2-4 Unit Projects:</p>	<p>Project review is waived for new and established condo projects that consist of no more than four units subject to the following:</p> <ul style="list-style-type: none"> <li>▪ The project must have appropriate hazard and liability insurance.</li> <li>▪ The project is not a condo hotel or motel, houseboat project, or a timeshare or segmented ownership project.</li> <li>▪ Fannie loans must meet agency requirements for priority of common expense assessments.</li> <li>▪ The project is not otherwise ineligible.</li> </ul>

**PRODUCT SUBJECT TO CHANGE WITH INVESTOR/PMI CHANGES  
PROGRAM NOT AVAILABLE FOR DELEGATED UNDERWRITING**

## **EXHIBIT A (Condotel)**

**The following list is intended to provide some characteristics used to identify ineligible project types. These include, but are not limited to:**

- **Voluntary or Mandatory revenue sharing agreements.**
- **Mandatory rental pool agreements.**
- **Occupancy restrictions mandated by the zoning.**
- **Timeshare, live/work or segmented ownership projects.**
- **Transactions under which the borrower will own more than one unit in the project.**
- **Multiple units within the project are less than 600 square feet.**
- **The project name includes “hotel”, “motel”, “inn”, “resort” or “lodge”.**
- **The project shares facilities with a hotel or motel.**
- **The project is in an area zoned primarily for transient accommodations.**
- **The unit is in a building that functions like a traditional condominium, yet the project contains additional resort type amenities or other buildings with resort type amenities.**
- **The unit is fully furnished.**
- **The unit does not have a full kitchen.**
- **The project provides any of the following services:**
  - **Management desk**
  - **Bellman**
  - **Daily maid service**
  - **Food service**
  - **Telephone service**
  - **Centralized utilities, for example: central telephone or cable**
  - **Centralized key system not in negotiated terms**
  - **Room Service**
  - **Units that do not contain full kitchens**
  - **Restrictions on interior decorating**
  - **Central key systems**
  - **Interior doors that adjoin other units**
  - **Projects that impose black-out dates**