

BULLETIN #2014-26

TO: Distribution

DATE: September 9, 2014

RE: Non-Warrantable Condos and Condotels

EFFECTIVE DATE: September 16, 2014

Non-Warrantable Condos and Condotels

Effective with loans locked on or after September 16, 2014, CMG Financial Correspondent Lending is pleased to announce an enhancement to nonconforming loan programs: Non-warrantable Condos and Condotels.

Both property types must adhere to standard Fannie Mae Non-warrantable Condo and Condotel criteria and CMG's nonconforming loan program guidelines with a few enhancements and overlays. Highlights include:

Non-warrantable Condos - expanded criteria

- Loan amounts from \$100,000 to current stated nonconforming limits
- <= 35% commercial space within the project
- <= 50% of total units sold or under bona fide contract can be non-owner occupied
- High Priced Mortgage Loans (HPML) acceptable with escrow impounds required (all LTV's)

Condotels

- Loan amounts from \$417,001 to the lesser of current stated nonconforming limits or \$1.5 million
- Primary Residence (1-unit) and Second Homes only
- <= 65% LTV/CLTV/HCLTV
- Purchase and Rate/Term Refinance transactions only
- Project may be managed as, named as and include registration services of a hotel. Exempt from the [Fannie Mae Single Family Selling Guide: B4-2.1-02, Ineligible Projects](#)
- Borrower FICO score => 740
- Located in an area with demonstrated market acceptance of Condotels

Minimum Documentation Required:

- Form 1073 or Form 1004 (detached condos only), and
- [Non-warrantable Certification of Project Eligibility form](#), and
- [HOA Questionnaire](#), and
- Project's Budget (if applicable), and
- Project's Legal Documents (if applicable), and
- Verification of insurance coverage in accordance with Fannie Mae guidelines
 - Subject unit, and
 - Project

Project type and conforming loan amount Rate Add-on apply:

- Non-warrantable Condos = 1.00%
- Non-warrantable Condos from \$100,000 up to \$417,001 = 0.25%
- Condotels = 1.25%

For complete overlay and pricing details, please refer to CMG's [Conventional](#) and [Nonconforming](#) Overlay matrix and CMG's rate sheet on the effective date, September 16, 2014.

***Please contact your Correspondent Regional Manager or
your Correspondent Liaison with any questions.***

3160 Crow Canyon Road, Suite 400, San Ramon, CA. 94583 | 800.501.2001 | NMLS #1820 | www.cmghi.com

