

Effective for Mortgages with Settlement Dates on and after June 28, 2018

For all mortgages secured by a Condominium Unit in a Condominium Project, you must meet the requirements of Freddie Mac *Single-Family Seller/Service Guide* (Guide) Chapter 5701, *Special Requirements for Condominiums*, and the Seller's other Purchase Documents. Use this reference as a summary of Guide Chapter 5701 requirements.

For Freddie Mac-owned "no cash-out" refinance Condominium Unit Mortgages, the Seller does not need to determine compliance with the Condominium Project review and eligibility requirements if the Condominium Unit Mortgage being refinanced is currently owned by Freddie Mac in whole or in part or securitized by Freddie Mac and the requirements in Section 5701.2(c) are met.

Topic	Requirements
Condominium Project Review and General Condominium Project Eligibility Requirements <i>Guide Section 5701.2</i>	Condominium Project Review Requirements
	<p>The Seller must:</p> <ul style="list-style-type: none"> • Have policies and procedures in place and take appropriate steps to ensure that the condominium unit, mortgage and project comply with applicable requirements • Meet the following timelines: <ul style="list-style-type: none"> - Within 180 days prior to the Note Date, the Seller must review and determine that the project complies with Freddie Mac requirements - No later than 120 days after the Note Date, the Seller must deliver the mortgage. If delivered after 120 days, the Seller must update the review and determination of the project's eligibility • Retain all documentation related to the project's review, and must provide the project information and documentation to Freddie Mac upon request • Ensure that: <ul style="list-style-type: none"> - The project complies with the general eligibility requirements of Guide Section 5701.2(b), except for mortgages secured by units in Detached Condominium Projects as set forth in Section 5701.7, and - The mortgage, unit and project comply with requirements for one of the following project review types, except the review type for Detached Condominium Projects in Section 5701.7 may not be used for 2- to 4-unit condominium projects: <ul style="list-style-type: none"> ✓ Streamlined reviews (Section 5701.4) ✓ Established Condominium Projects (Section 5701.5) ✓ New Condominium Projects (Section 5701.6) ✓ Detached Condominium Projects (Section 5701.7(b)) ✓ Reciprocal project reviews (Section 5701.9) <p>Note: Freddie Mac reserves the right to conduct its own review of the project Note: Detached Condominium Projects are not required to comply with the general Condominium Project Eligibility Requirements in Section 5701.2(b) and are not subject to the ineligible projects requirements in Section 5701.3.</p>
	General Condominium Project Eligibility Requirements
<p>The Condominium Project must comply with the following general eligibility requirements:</p> <ul style="list-style-type: none"> • Ineligible project - must not be an ineligible project (See Ineligible Projects section below) • Project insurance - project complies with the applicable insurance requirements of Chapter 8202 	

Note: A vertical revision bar " | " is used in the margin of this quick reference to highlight new requirements and significant changes.

Topic	Requirements
<p>Condominium Project Review and General Condominium Project Eligibility Requirements (continued)</p> <p><i>Guide Section 5701.2</i></p>	<p style="text-align: center;">General Condominium Project Eligibility Requirements, <i>continued</i></p> <ul style="list-style-type: none"> • Title insurance - unit must be covered by a title insurance policy that complies with the requirements of Chapter 4702 • Project ownership - unit owners must have an undivided ownership or leasehold interest in the land on which the project is located • Ownership and use of the common elements - unit owners must be the sole owners of, and have the right to the use of, the common elements, including all buildings, roads, parking, facilities and Amenities. The developer must not retain any ownership interest in the Common Elements, facilities and Amenities, except as unit owner. The Common Elements, including parking and Amenities such as recreational facilities, must not be subject to a lease between the unit owners or the HOA (as lessee) and any other party (as lessor), with the exception of commercial leases for parking, or permit arrangements for parking, entered into with parties unrelated to the developer.
<p>Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgage Requirements</p>	<p>For Freddie Mac-owned “no cash-out” refinance Condominium Unit Mortgages, the Seller does not need to determine compliance with the Condominium Project review and eligibility requirements set forth above if the Condominium Unit Mortgage being refinanced is currently owned by Freddie Mac in whole or in part or securitized by Freddie Mac and the requirements in Guide Section 5701.2(c) are met.</p> <ul style="list-style-type: none"> • The maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio is 80%. The requirements in Section 4301.4(c) are not applicable. • The Condominium Project is not a Condominium Hotel, houseboat project, timeshare project or project with segmented ownership (all as described in Section 5701.3) • The Condominium Project must have insurance that complies with the applicable requirements in Chapter 8202 • The Condominium Unit must be covered by a title insurance policy that complies with the requirements of Chapter 4702 • Proof of the ULDD Data Point Related Investor Loan Identifier of the existing Condominium Unit Mortgage is provided in the Mortgage file and the delivery requirements in Section 6302.16(b)(ii) are met • If the Condominium Unit Mortgage being refinanced has recourse, indemnification or was credit enhanced after it was sold to Freddie Mac: <ul style="list-style-type: none"> - The Seller of the new refinanced Condominium Unit Mortgage is the Servicer of the Condominium Unit Mortgage being refinanced - The Condominium Unit Mortgage is delivered with recourse or indemnification; and - The Condominium Unit Mortgage meets the sales and delivery requirements in the table listed in Guide Section 5701.2(c).
<p>Ineligible Projects</p> <p><i>Guide Section 5701.3</i></p>	<p>Mortgages secured by units in any of the following projects are not eligible for sale to Freddie Mac, except for mortgages secured by units in Detached Condominium Projects as set forth in Section 5701.7:</p> <ul style="list-style-type: none"> • Project required to be registered with a federal or State securities agency • Condominium Hotel - project operated and managed as a commercial hotel or similar type of transient housing, even though the units are individually owned, unless the project was a Gut Rehabilitation and the resulting Condominium Units no longer have the characteristics of a hotel or similar type of transient housing. See Guide Sections 5701.3(b) and 5701.10 for additional details

Topic	Requirements								
<p>Ineligible Projects (continued)</p> <p><i>Guide Section 5701.3</i></p>	<ul style="list-style-type: none"> • Project with multi-dwelling units - owner holds a single deed evidencing ownership of more than one dwelling unit • Project with non-incident commercial space - more than 25% of the total above and below grade square footage of the building in which the project is located is commercial, non-residential or mixed-use space. See Guide Section 5701.11 for further details • Tenancy-in-common apartment project - owned by several owners as tenants-in-common or by a homeowners association (HOA). Individuals have an undivided interest in the residential apartment building (including the units) and land on which the building is located, and may or may not have the right of exclusive occupancy of a specific unit in the building • Timeshare project or project with segmented ownership - arrangement under which purchaser receives an interest in real estate and the right to use a unit or amenities, or both, for a specified period and on a recurring basis such as the 15th week of the year, or ownership that is for a limited period such as for the subsequent five years • Houseboat project - comprised of boats designed or modified to be used primarily as dwelling units • Project that is a legal nonconforming use - in the event of partial or full destruction, the jurisdiction in which the project is located does not allow the rebuilding of the improvements to current density (exception: Detached Projects) • Project in litigation - where the HOA, project sponsor, or developer is named as a party to pending litigation that relates to the safety, structural soundness, functional use or habitability of the project. For exceptions see Guide Section 5701.3(i) • New project sold with excessive Seller contributions – new project where the builder, developer or property seller is offering contributions that do not comply with the requirements of the Purchase Documents, including Guide Section 4204.3. Examples include rent-backs or leasebacks, payments of principal, interest, taxes and insurance (PITI) or HOA assessments for any period of time, and undisclosed contributions • Project with excessive single investor concentrations - project in which an individual or single entity (such as an investor group, partnership or corporation), other than vacant units owned by the developer during the initial marketing period, owns more than the following total number of units in the project: <table border="1" data-bbox="406 1243 1422 1444"> <thead> <tr> <th data-bbox="406 1243 924 1316">Number of units in project</th> <th data-bbox="924 1243 1422 1316">Total number of units owned by individual or single entity</th> </tr> </thead> <tbody> <tr> <td data-bbox="406 1316 924 1358">Two to four</td> <td data-bbox="924 1316 1422 1358">One</td> </tr> <tr> <td data-bbox="406 1358 924 1400">Five to 20</td> <td data-bbox="924 1358 1422 1400">Two</td> </tr> <tr> <td data-bbox="406 1400 924 1444">21 or more</td> <td data-bbox="924 1400 1422 1444">10%*</td> </tr> </tbody> </table> <p>*Refer to Guide Section 5701.3(k) for exceptions on projects with 21 or more units.</p> <ul style="list-style-type: none"> • Continuing Care Retirement Community (CCRC) - a residential project designed to meet the health and housing needs of seniors as their needs change over time. CCRCs may also be known as Life-Care Facilities and are distinguished from age-restricted communities • Manufactured homes - mortgages secured by manufactured homes except when approved through the Fannie Mae Project Eligibility Service (PERS) process (Section 5701.9(a)) • New Condominium Projects in Florida - mortgages secured by New Condominium Projects in Florida except when approved through the Fannie Mae Project Eligibility Service (PERS) process (Section 5701.9(a)) • Projects with mandatory dues or similar membership fees for use of amenities such as clubhouses or recreational facilities – projects with mandatory dues or membership fees, including initiation or joining fees, which allow for the use of amenities such as clubhouses or recreational facilities 	Number of units in project	Total number of units owned by individual or single entity	Two to four	One	Five to 20	Two	21 or more	10%*
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Requirements by Project Review Type	<p align="center">Streamlined Reviews for Established Projects (Guide Section 5701.4)</p>																			
	<p>In addition to the project eligibility requirements in Guide Section 5701.2(b), Condominium Unit Mortgages must comply with all the following requirements to be eligible for the streamlined project review type:</p> <ul style="list-style-type: none"> • Project Type - Unit is located in an Established Condominium Project (refer to definition in Guide Section 5701.5) • No Manufactured Homes in the Condominium Project - There must not be any Manufactured Homes in the Condominium Project • Maximum loan-to-value/total LTV (TLTV)/Home Equity Line of Credit TLTV (HTLTV) ratios - Mortgage does not exceed the following maximum LTV/TLTV/HTLTV ratios: <table border="1" data-bbox="407 690 1133 932"> <thead> <tr> <th colspan="2">Streamlined review for Condominium Units in Established Condominium Projects <u>not located</u> in Florida</th> </tr> <tr> <th>Occupancy</th> <th>Maximum LTV/TLTV/HTLTV</th> </tr> </thead> <tbody> <tr> <td>Primary Residence</td> <td align="center">90%</td> </tr> <tr> <td>Second Home</td> <td align="center">75%</td> </tr> <tr> <td>Investment Property</td> <td align="center">Not eligible</td> </tr> </tbody> </table> <table border="1" data-bbox="407 1010 1133 1268"> <thead> <tr> <th colspan="2">Streamlined review for Condominium Units in Established Condominium Projects <u>located</u> in Florida</th> </tr> <tr> <th>Occupancy</th> <th>Maximum LTV/TLTV/HTLTV</th> </tr> </thead> <tbody> <tr> <td>Primary Residence</td> <td align="center">75%</td> </tr> <tr> <td>Second Home</td> <td align="center">70%</td> </tr> <tr> <td>Investment Property</td> <td align="center">Not eligible</td> </tr> </tbody> </table> <p>Notes: Super Conforming Condominium Unit Mortgages are eligible for streamlined review If streamlined review requirements can be met, the Seller is not required to comply with any of the other project review types in Sections 5701.5, 5701.6, 5701.7 and 5701.9</p>	Streamlined review for Condominium Units in Established Condominium Projects <u>not located</u> in Florida		Occupancy	Maximum LTV/TLTV/HTLTV	Primary Residence	90%	Second Home	75%	Investment Property	Not eligible	Streamlined review for Condominium Units in Established Condominium Projects <u>located</u> in Florida		Occupancy	Maximum LTV/TLTV/HTLTV	Primary Residence	75%	Second Home	70%	Investment Property
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	<p align="center">Established Condominium Project Reviews (Guide Section 5701.5)</p>																			
	<p>Definition of Established Condominium Project:</p> <ul style="list-style-type: none"> • Project and related facilities is complete and not subject to additional phasing, AND • With respect to unit ownership: <ul style="list-style-type: none"> - At least 90% of the total units in the project have been conveyed to the unit purchasers other than the developer - If the project is a 2- to 4-unit project, all units in the project have been conveyed to the unit purchasers; and - Unit owners control the HOA 																			

Topic	Requirements
Requirements by Project Review Type (continued)	<p align="center">Established Condominium Project Reviews (Guide Section 5701.5), continued</p>
	<p>In addition to the project eligibility requirements in Guide Section 5701.2(b), if the mortgage does not comply with the eligibility requirement for streamlined reviews in Guide Section 5701.4, the mortgage must comply with the following requirements:</p> <ul style="list-style-type: none"> • Project completion requirements - All units, common elements and amenities must be complete • No Manufactured Homes - There must not be any manufactured homes in the established condominium project • Owner-Occupancy Requirements: <ul style="list-style-type: none"> - Primary residences and second homes: no owner-occupancy requirements - Investment properties: at least 50% of the units in project (including 2- to 4-unit projects comprised of 2 or 4 units) are occupied as primary residences or second homes. For 2- to 4-unit projects comprised of 3 units, all but one unit are occupied as primary residences or second homes • Project budget - is consistent with the nature of the project and appropriate assessments are established to manage the project: <ul style="list-style-type: none"> - Appropriate allocations for line items pertinent to the type and status of the project - There must be adequate funding for insurance deductible amounts - At least 10% of the budget provides funding for replacement reserves for capital expenditures, deferred maintenance based on the project’s age, estimated remaining life, and replacement cost of major common elements. See Guide Section 5701.5(d) for calculation - The Seller may use a reserve study instead of calculating the replacement reserves of 10%, provided requirements in Guide Section 5701.5(f) are met - Adequate funding for insurance deductible amounts • Delinquent assessments - no more than 15% of the total number of units in a project are 60 or more days delinquent on the payment of their HOA assessments, or if a 2- to 4-unit, none of the units are 60 or more days delinquent • Requirements when a Seller relies on a project reserve study – reserve study must comply with all requirements in Section 5701.5(f) <p>Note: If established condominium project review requirements can be met, the Seller is not required to comply with any of the other project review types in Sections 5701.4, 5701.6, 5701.7 and 5701.9. Note: See Guide Section 5701.5 and 5701.6 for 2- to 4-Unit Condominium Project exceptions and additional requirements</p>
	<p align="center">New Condominium Project Reviews (Guide Section 5701.6)</p>
<p>Definition of New Condominium Project:</p> <ul style="list-style-type: none"> • Project and related facilities is not complete, or is subject to additional phasing, except for 2- to 4-unit projects (all condominium units, common elements and amenities) are complete and not subject to any additional phasing • Fewer than 90% of the total units in the project have been conveyed to the unit purchasers other than the developer, except for 2- to 4-unit projects, all but one unit must have been conveyed or must under contract to unit purchasers, or • Control of HOA has not been turned over to unit owners <p>In addition to the project eligibility requirements in Guide Section 5701.2(b), the mortgage must comply with the following requirements:</p>	

Topic	Requirements
	<p style="text-align: center;">New Condominium Project Reviews (Guide Section 5701.6) (continued)</p> <ul style="list-style-type: none"> • Project completion - subject legal phase and prior legal phases are substantially complete (all units in the subject building are complete subject to the selection of buyer preference items). For 2- to 4-unit projects, units are complete and not subject to additional phasing. • No Manufactured Homes - there are no manufactured homes in the new condominium project • Owner-occupancy requirements - at least 50% of the total units in the project (or at least 50% of the sum of the subject legal phase and prior legal phases) must have been conveyed or must be under contract to occupants as their primary residences or second homes. All but one unit in a 2- to 4-unit project must have been conveyed or under contract to occupants as their primary residences or second homes. • Project budget - HOA assessments must begin once the developer has ceased to pay operating expenses attributable to the project whether or not all units are sold. Developer is responsible for the assessment attributable to the unsold units. Budget is consistent with the nature of the project and appropriate assessment must be established to manage the project: <ul style="list-style-type: none"> - There are appropriate allocations for line items pertinent to the type and status of the project - If the project was recently converted, the developer must have initially funded a working capital fund in an amount consistent with the estimated remaining life of the common elements - There must be adequate funding for insurance deductible amounts - At least 10% of the operating budget provides funding for replacement reserves, for capital expenditures and deferred maintenance based on the project's age, estimated remaining life, and replacement cost of major common elements. See Guide Section 5701.6 for calculation details. - Seller may rely on a reserve study instead of the project budget providing a replacement reserve of at least 10% provided the conditions of Guide Section 5701.6 are met. • Delinquent assessments - no more than 15% of the total number of units in a project are 60 or more days delinquent on the payment of their HOA assessments, or if a 2- to 4-unit, none of the units are 60 or more days delinquent • Compliance with laws - project has been created and exists in full compliance with applicable State law, the requirements of the jurisdiction in which the project is located and all other applicable laws and regulations governing the creation of the project • Limitations on ability to sell/right of first refusal - right of first refusal in the project documents does not adversely impact the right of mortgagee or its assignee to: <ul style="list-style-type: none"> - Foreclose or take title to a unit pursuant to the remedies in the mortgage, or - Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor, or - Sell or lease a unit acquired by the mortgagee or its assignee <p>When the Project Documents allow the HOA to retain the right of first refusal (i.e., the right to provide a substitute buyer or to have the first option to purchase a unit), that right cannot be exercised in any way that constitutes unlawful discrimination, or that is likely to impair the marketability of the units in the project.</p> • Conversions - if the project is a conversion created by conversion of the building(s), the project must meet the following for the Seller's review and determination of project eligibility: <ul style="list-style-type: none"> - For a conversion involving a Non-Gut Rehabilitation of a prior use of the building that was legally created within the past five years, the engineer's report must state that the project is structurally sound, the condition and remaining useful life of the major project components are sufficient to meet the residential needs of the project, and that there is no evidence that any of these conditions have not been met. Major components include the roof, elevators and mechanical systems such as HVAC, plumbing and electricity.

Topic	Requirements
<p>Requirements by Project Review Type (continued)</p>	<p style="text-align: center;">New Condominium Project Reviews (Guide Section 5701.6) (continued)</p> <ul style="list-style-type: none"> - All rehabilitation work involved in the conversion (Non-Gut Rehabilitation and Gut Rehabilitation) must be completed in a professional manner • A review of the engineer’s report is not required for conversions involving a Gut-Rehabilitation, and a Non-Gut Rehabilitation if more than five years have elapsed since the legal creation of the project <ul style="list-style-type: none"> - Mortgagee consent: Project Documents must state, or applicable State law must provide, that amendments of a material adverse nature to first-lien mortgages be agreed to by mortgagees that represent at least 51% of the unit votes (one vote for each first-lien mortgage owned) - Project Documents must state, or applicable State law must provide, that any action to terminate the legal status of the project or to use insurance proceeds for any purpose other than to rebuild, must be agreed to by first-lien mortgagees that represent at least 51% of the unit votes (one vote for each first-lien mortgage owned) - The Project Documents may allow implied approval to be assumed when the then current mortgagee of record fails to submit a response to any written proposal for an amendment within 60 days after the then current mortgagee of record actually receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a “return receipt” requested • Rights of condominium mortgagees and guarantors - project documents, applicable State law, or any applicable insurance policy must provide the mortgagee and guarantor of the mortgage the right to timely written notice of: <ul style="list-style-type: none"> - Any condemnation or casualty loss affecting a material portion of project, or unit securing the mortgage - Any 60-day delinquency in payment of assessments or charges owed by the unit owner - A lapse, cancellation or material reduction of any insurance policy maintained by the HOA - Any proposed action requiring the consent of a specified percentage of the mortgages • First mortgagee’s rights confirmed - there are no provisions in the project documents that give a unit owner or other party priority over any rights of the first mortgagee in the case of payment to the unit owner of proceeds from termination or, insurance proceeds, or condemnation awards for losses to or a taking of units and/or common elements <p>Note: For calculating owner-occupancy under Guide Section 5701.6, a single building can only have one legal phase regardless of whether the project is comprised solely of that single building or multiple buildings. Legal phases are defined by the Project Documents. Construction phases developed for the convenience of the developer are not necessarily legal phases.</p> <p>Note: If new condominium project review requirements can be met, the Seller is not required to comply with any of the other project review types in Sections 5701.4, 5701.5, 5701.7 and 5701.9.</p> <p>Note: See Guide Section 5701.6 for 2- to 4-Unit Condominium Project exceptions and additional requirements.</p>

Topic	Requirements
<p>Requirements by Project Review Type (continued)</p>	<p style="text-align: center;">Detached Condominium Project Review (Guide Section 5701.7), continued</p> <p>Definition of Detached Condominium Project: project is comprised solely of detached, 1-unit dwellings.</p> <p>In addition to complying with the definition above, and the project must comply with the following eligibility requirements:</p> <ol style="list-style-type: none"> 1. The Condominium Project must not include Manufactured Homes 2. If the Condominium Project is on a leasehold estate, the lease must comply with the requirements of Chapter 5704 3. The Condominium Project must have insurance that complies with the applicable requirements in Chapter 8202; however, you are not required to determine the existence or adequacy of the project liability insurance or fidelity or employee dishonesty insurance 4. The Condominium Unit must be covered by a title insurance policy that complies with the requirements of Chapter 4702 <p>Note: If the requirements of Guide Section 5701.7 can be met, the Seller is not required to comply with any of the other project review types in Sections 5701.4, 5701.5, 5701.6, and 5701.9.</p>
<p>Condominium Appraisal and Underwriting Requirements</p> <p><i>Guide Section 5701.8</i></p>	<p style="text-align: center;">Appraisal Requirements</p> <p>In addition to applicable Guide Chapter 5601 appraisal requirements, the following requirements apply to units in condominium projects:</p> <ul style="list-style-type: none"> • General appraisal requirements: Appraiser must report the project name, the assessments, and the property rights for each comparable sale, and how it compares to the subject project. The appraiser must identify the common elements, including amenities, and comment on their condition, and how they compare with competing projects <ul style="list-style-type: none"> – Comparable sales must be from condominium projects in the same market, be similar to the subject project and compete for the same purchasers • Comparable sales selection: Refer to Section 5601.12(f) for specific requirements applicable to units in Established Condominium Projects or in recently converted or New Condominium Projects. • Additional appraisal requirements for units in Detached Condominium Projects: <ul style="list-style-type: none"> – The appraiser must use similar detached condominium comparable sales from the same project, or from similar Detached Condominium Projects in the same market area – Detached comparable sales may be used by the appraiser that are not located in a project only if the appraiser supports the use of such sales in the appraisal report, and reflects any effect that the condominium form of ownership has on the market value, and marketability of the subject property. Each appraisal or inspection report must comply with the requirements of Guide Sections 5601.5, 5601.7, 5601.10 and 5601.12 <p style="text-align: center;">Underwriting Considerations for Condominium Projects with Mixed Uses and Live-Work Condominium Units</p> <ul style="list-style-type: none"> • Condominium projects with mixed uses - Freddie Mac will purchase eligible mortgages in projects with a combination of residential, commercial, industrial, office and/or institutional uses provided the mortgages comply with all applicable Freddie Mac requirements, including the requirements of Section 5701.2 and Section 5701.3(d) • Condominium projects with live-work units - Freddie Mac will purchase eligible mortgages in projects with live-work units where: <ul style="list-style-type: none"> – The mortgage complies with all applicable Freddie Mac requirements, including the requirements of Guide Section 5701.2, and – The primary use of the live-work unit is residential and the non-residential use of such unit is secondary

Topic	Requirements
<p>Condominium Appraisal and Underwriting Requirements (continued)</p> <p><i>Guide Section 5701.8</i></p>	<p align="center">Underwriting Considerations for Common Elements and Amenities</p>
	<ul style="list-style-type: none"> The common elements, including amenities and limited common elements must be consistent with the nature of the project and similar to competing projects in the market area
	<p align="center">Financing of Limited Common Elements</p>
<ul style="list-style-type: none"> Limited Common Elements are portions of common elements reserved for use by one or more unit owners but not all unit owners. May include, but are not limited to, balconies or patios serving a single unit, assigned parking spaces or storage bins. If purchased as part of the unit, they may be financed as part of the Mortgage, and the cost of such Limited Common Elements may be included when determining the sale price and loan-to-value (LTV) ratio. Only Limited Common Elements may be financed along with the Condominium Unit. Facilities serving the Condominium Unit which are made available to the Condominium Unit by a permit, license or lease (other than in a leasehold condominium), must not be financed as part of a Mortgage, and the cost of the use of such facilities may not be included when determining the sale price and LTV ratio. 	
<p>Reciprocal Project Reviews</p> <p><i>Guide Section 5701.9</i></p>	<p align="center">Fannie Mae-approved and Certified Projects (Guide Section 5701.9(a))</p>
	<p>With the exception of mortgages secured by units in projects that receive Fannie Mae Special Approval designations or Fannie Mae Project Eligibility Review Service (PERS) Conditional Approval designations, Freddie Mac will purchase mortgages secured by 1-unit residential dwellings in Condominium Projects that (i) Fannie Mae has approved through Final Project Approval through PERS, or (ii) the Seller has approved as a Fannie Mae “Full Review”, submitted to Fannie Mae’s Condo Project Manager™ (CPM™) (Condo Project Manager and CPM are trademarks of Fannie Mae) and received a project acceptance certification, if as of the Settlement Date:</p> <ul style="list-style-type: none"> The project complies with all applicable Fannie Mae eligibility requirements and lender warranties Any terms and conditions set forth in the acceptance have not expired, and have not been rescinded or modified in any way The Mortgage file contains documentation of Fannie Mae’s approval (e.g. a copy of the appropriate web page showing that the Condominium Project has received a Fannie Mae PERS Final Project Approval (1028/PERS) or documentation of the Seller’s project approval as a Fannie Mae “Full Review” completed with a CPM project acceptance certification) The Seller warrants that the General Condominium Project eligibility requirements (see Section 5701.2(b)) have been met
	<p align="center">Fannie Mae-accepted Projects (Guide Section 5701.9(a))</p>
<ul style="list-style-type: none"> For mortgages secured by units located in attached Established Condominium Projects in Florida and approved through CPM: <ul style="list-style-type: none"> The loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit TLTV (HTLTV) is 75% or less for a primary residence The LTV/TLTV/HTLTV is 70% or less for a second home The property is not an investment property For mortgages secured by attached units in New Condominium Projects in Florida, they are only eligible for sale to Freddie Mac if the project is approved through PERS. Mortgages secured by units in projects comprised of manufactured homes are only eligible for sale to Freddie Mac if the project has Final Project Approval through PERS. <p>Note: If reciprocal project review requirements can be met, the Seller is not required to comply with any of the other project review types in Sections 5701.4, 5701.5, 5701.6, and 5701.7</p>	

Topic	Requirements
<p>Reciprocal Project Reviews (continued)</p> <p><i>Guide Section 5701.9</i></p>	<p style="text-align: center;">FHA-Approved Project review for Condominiums (5701.9(b))</p> <p>Freddie Mac will purchase mortgages secured by 1-unit residential dwellings in projects that appear on the list of project approved by FHA, provided that the mortgages are: FHA Mortgages, VA Mortgages, Section 502 Guaranteed Rural Housing (GRH) Mortgages, or U.S. Department of Housing and Urban Development (HUD) Guaranteed Section 184 Native American Mortgages that comply with the applicable Guide requirements.</p> <p>When the Seller sells Freddie Mac a Mortgage secured by a unit in a project that is on the FHA web site of approved projects, the Seller warrants all of the following as of the Settlement Date:</p> <ul style="list-style-type: none"> • The project is in the "approved" status, complies with any FHA-approval conditions noted on the FHA web site, the approval has not yet expired and has not been rescinded or modified in any way • The mortgage file contains documentation of FHA's approved status (for example, a copy of the appropriate web page showing that the project is approved and that the approval is current) • The Seller is not aware of any circumstances that would make the project ineligible for approval <p>Note: If reciprocal project review requirements can be met, the Seller is not required to comply with any of the other project review types in Sections 5701.4, 5701.5, 5701.6, and 5701.7.</p>

For delivery information, please refer to Guide Section 5701.12.

This document is not a replacement or substitute for the information found in the Single-Family Seller/Servicer Guide and/or terms of your Master Agreement and/or other Pricing Identifier Terms.

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