# RE: CONDOMINIUM GUIDELINE UPDATES

We've updated our Condo Review process to align with recent changes announced by Fannie Mae and Freddie Mac regarding condominium project review requirements.

Effective August 3, 2026, the agencies will eliminate limited reviews for agency lending.

Agency guidelines require that a Condominium project must either:
- Be listed as an approved project by the applicable agency; or
- Complete a full project review.

As a result, a condominium questionnaire alone will no longer be sufficient for many project reviews on conforming loans. Additional documentation will be required as defined by AUS Findings, including but not limited to most recent condo project budgets insurance information, reserve data, governing documents, financials, and other project records.

NavPros will follow these new guidelines for wholesale and correspondent lending. However, NavPros has elected to continue to support the "Limited Condo Reviews" for customer portfolio lending program approvals.

Each customer is required to validate their condominium approval requirements for portfolio lending, no later than 07/21/26. This is required to allow time for portfolio guidelines, systems, and conditions to be updated accordingly.

The "Limited Review" Portfolio option that has been supported and still available is outlined as follows:

1. Condominium Questionnaire (Form 1076 with FNMA Addendum)
2. Most current Condo Budget
3. The last two condo association meeting minutes.

Along with these documents, a No-Cost UW review for this review type will be completed to validate:
- Active litigation (That presents risk of default, safety/soundness)
- Owner Occupancy
- Sufficient Insurance Coverage
- Reserves are sufficient

<u>The full Agency Condo Project Review(s) now requires more file documentation, additional fees for applicants (document procurement and eligibility reviews).</u>

AUS findings specifically identify both the eligibility of the project and the level of review type required. Please see the following pages for the Condo Document Matrix with estimated costs for document procurement as well as the Document Reference Table and finally, the Condo Project Review estimated costs menu.

| Underwriting Project Review Fee Sheet - PORTFOLIO<br>POC by applicant or as outlined in Portfolio Summary Specs | Amount |
|---|---|
| Condo Project Manager or Condo Product Advisor Entry | $30 |
| Established Condominium* (FNMA or FHLMC Full Review) | $295 |
| | |
| An established condominium is defined as a project in which all units and common elements are complete. It must not be subject to additional phasing. At least 90% of the total units must have been conveyed to unit owners. Control of the Association has been turned over to unit owners. | |
| | |
| FHA Single-Unit Approvals (formerly ‘Spot Approval’) | $350 |
| FHA Condominium Certification of Approved Projects | $25 |
| | |
| NOTE: Project must be an approved project appearing on FHA’s website; this is confirmation of the continued compliance of initial approval requirements | |
| | |
| New Condominium (FNMA or FHLMC) | $600 |
| New Condominium Conversion (FHLMC ONLY) | $600 |
| PUD Reviews (FNMA or FHLMC) | $175 |
| | |
| If the borrower does not pay the condo review and condo documentation fees upfront and the loan does not close -the financial institution will be invoiced. | |
| | |

| Agency Submission Fees | Amount |
|---|---|
| PERS Submission | $5,000 |
| FHA New Project | $5,500 |
| VA Submission | $600 |
| PLEASE NOTE: For ALL submissions, the agency will directly bill NavPros for the applicable agency fees. These agency fees are in addition to NavPros fee. Contact the appropriate agency for their submission costs and expected turn time. NavPros will forward Agency invoices to the Financial Institution and will remit payment to the respective Agency's, once payment is received from the Borrower/Financial Institution | |

## CONDO DOCUMENT COLLECTION MATRIX*

| Required Document | Estimated Cost | Limited Review Portfolio after 8/3/26 | Full | New | New Conversion | Waiver of Project Review (WPR) |
|---|---|---|---|---|---|---|
| Condo Questionnaire (WPR short form) | $150 | ✓ | | | | ✓ |
| Condo Questionnaire (Full) W/Addendum | $250 | | ✓ | ✓ | ✓ | |
| Reserve Study | $500 | * | * | * | * | * |
| Reserve Funding Analysis | $250 | * | ✓ | ✓ | ✓ | * |
| Master Hazard Policy | $150 | ✓ | ✓ | ✓ | ✓ | ✓ |
| Flood Ins. Certificate | $150 | If required, based on Flood Cert determination | | | | |
| Fidelity / Crime Ins. | $50 | * | ✓ | ✓ | ✓ | * |
| General Liability Ins. | $50 | ✓ | ✓ | ✓ | ✓ | ✓ |
| Officer Ins. And Equipment Breakdow | $50 | * | * | * | * | |
| Bylaws, Articles of Incorporation & CCR | $75 | * | ✓ | ✓ | ✓ | |
| Plat / Site Plan | $100 | | * | ✓ | ✓ | |
| Legal Phase Map | $100 | | * | ✓ | ✓ | |
| Recorded Amendments | $50 | * | ✓ | ✓ | ✓ | |
| Litigation Questionnaire | $150 | * | ✓ | ✓ | ✓ | * |
| Engineer's Report | $750 | * | * | * | * | * |
| Building Inspection | $500 | * | * | * | * | * |
| HOA Certification | $150 | * | ✓ | ✓ | ✓ | |
| Conversion Report | $750 | | | | ✓ | |
| Rehabilitation Scope | $250 | | | | ✓ | |
| Environmental Report | $1,500 | * | * | * | * | * |
| **Estimated Total for Condo Docs** | | $350 | $1,045 | $2,375 | $3,450 | $350 |

* **Additional Documentation may be required after review of the Required Documentation**
✓ **Required Documentation**

Condo Document fees are separate from the Condo Review Fee

If you would like us to complete a full project review, the fee charged by our 3rd party reviewer is $295. See the tables in this correspondence for additional information regarding the various fees, costs, turn times, etc.

## PROJECT REVIEW FEES AND HOW THEY APPLY TO APPLICANTS, BORROWERS AND LENDERS

Condominium project review and document procurement fees may be charged to the borrower when required based on the project review type. These fees must be disclosed on the Loan Estimate (LE) and Closing Disclosure (CD). The amount of the fees will vary based on the applicable Agency, project type, and scope of the review. Fees not collected by an applicant or borrower will be invoiced to the Financial Institution.

## COLLECTION OF CONDOMINIUM REVIEW AND DOCUMENT FEES

- Our preference is for all condominium project review and document procurement fees to be collected as Paid Outside of Closing (POC) by the applicant whenever permitted.
- Some project review fees, however, must still be collected by NavPros, per Agency guides.

## NEXT STEPS (REQUIRED NO LATER THAN JULY 21, 2026)

Please advise which option you would like us to utilize to collect the required fees:

a. Collect borrower in advance.
b. LE/CD and invoice institution if not closed.
c. Invoice your institution.

Please validate if your Portfolio condominium approval requirements will continue to support Limited Condo Reviews.

If you have any questions, please contact your Account Executive (AE) or assigned Mortgage Loan Originator (MLO), and we will ensure the appropriate Operations team members reach out to assist you.

You may also submit your questions via email to Operations@NavPros.com

## AGENCY RESOURCES

- Fannie Mae lender letter 2026-03
- Freddie Mac Seller update 26-c

We appreciate your partnership and are happy to help.

## Document Turn Times and Source Matrix

| Document | Typical Source | Avg. Turn times | Typical Expiration |
|---|---|---|---|
| Condo Questionnaire | HOA/Mgmt. Co. | 5-14 days | 90 days |
| HOA Budget | HOA | 1–5 days | Current Fiscal Year |
| Financial Statements | HOA | 3–10 days | Most Recent Year-End |
| Reserve Study | HOA / Reserve Analyst | 5–15 days | 3–5 years |
| Insurance Certificates | Insurance Agent | 1–2 days | Policy Term |
| Flood Insurance | Insurance Agent | 1–2 days | Policy Term |
| Governing Documents | HOA / County Records | 1–5 days | Recorded Version |
| Litigation Information | HOA / Attorney | 5–10 days | Current |
| Special Assessment Info | HOA | 1–5 days | Current |
| Deferred Maintenance Information | HOA | 1–5 days | Current |
| Engineer's Report | Engineer | 1–3 weeks | Per Report |
| Building Inspection | Inspector | 1–2 weeks | Per Report |
| Certificate of Occupancy | Municipality | 1–5 days | Permanent |
| Conversion Report | Developer | 1–2 weeks | Project Specific |
| Environmental Report | Environmental Consultant | 2–4 weeks | Per Report |