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## Agency Condominium Requirements: Required Use of Condo Project Manager (CPM) and Other Revisions

Truist Bank (Truist) revises Agency condominium requirements to align with recently announced Fannie Mae and Freddie Mac updates. With these updates we:

- for non-AUS and Desktop Underwriter® (DU®) loans, require the use of Fannie Mae’s Condo Project Manager™ (CPM™) for all condominium projects reviewed under the Full Review process and incorporate the following additional CPM related guidance:
  - CPM status designations
  - CPM delivery restrictions notifications
  - CPM Project ID Number delivery requirements
- clarify requirements to reflect that for **all** Agency non-delegated Correspondent condominium loan originations, the condominium project must be reviewed by the Truist Condominium Department for compliance with Agency requirements (*inclusive of projects eligible for a waiver of project review and projects that already appear on the Fannie Mae and/or Truist Approved Condominium Project Lists*)
- add guidance related to Fannie Mae’s Unavailable Projects List
- clarify and/or revise requirements related to projects appearing on the Fannie Mae Approved Projects List and the Truist Approved Condominium Project List
- for Loan Product Advisor® (LPA<sup>SM</sup>) loans, revise Freddie Mac Reciprocal Project Review requirements for Fannie Mae-approved and certified projects

We clarify PUD requirements related to the current ineligibility of manufactured home loan purchases. We also refresh condominium requirements to remove outdated guidance and to reflect previously published updates.

### Effective Dates

- The required use of CPM for Full Reviews is effective for loan applications dated on or after July 1, 2023.
- All other updates are effective immediately for existing and new loan applications on or after June 30, 2023.

### Background Information

Fannie Mae SEL-2022-02 and SEL-2023-02 announced updates related to CPM. Freddie Mac Bulletins 2022-11 and 2023-9 announced revised Reciprocal Project Review requirements for Fannie Mae-approved and certified projects to integrate Fannie Mae’s CPM changes. In response to these publications, we reviewed impacted standard documents and identified the need to implement revisions to align with Fannie Mae and Freddie Mac requirements. We also continue to identify opportunities to improve the presentation of our published Agency requirements.

## Bulletin Details

### Agency Condominium Requirements Updates

The following table highlights the updates and clarifications made to the Agency condominium requirements.

Topic	Update
CPM Related Updates	<ul style="list-style-type: none"> <li>• <b>Required Use of CPM:</b> For non-AUS and DU loans, lenders must use CPM for all condominium projects reviewed under the Full Review process.</li> <li>• <b>CPM Status Designations:</b> Status designations (i.e., Fannie Mae Review Process and Lender Certification statuses) are available in CPM for each condominium project. See today's revised product materials for a complete listing of the CPM status designations and their definitions.</li> <li>• <b>CPM Delivery Restrictions Notifications:</b> Project transaction eligibility or other loan-level restrictions (i.e., occupancy type, limits on LTV ratios, etc.) will display in CPM for a specific project. Lenders may only deliver loans to Truist that comply with the stated restrictions.</li> <li>• <b>CPM Project ID Delivery Requirement:</b> Lenders are required to deliver the CPM project ID number for projects that require the use of CPM (i.e., Full Reviews) <b>and</b> projects with a Fannie Mae Approval that are delivered as Type T.</li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• A new field (in the Lender Certification section) has been added to the <i>Certification of Project Compliance: Condominium/PUD Lender Warranties – Agency and Non-Agency Loan Products (COR 0212a)</i> form to document the CPM Project ID number.</li> <li>• <b>Truist Internal Requirement:</b> Enter the CPM Project ID number in the <b>FNM Condominium Project Manager Project Identifier</b> field (located on the <b>Appraisal Summary Screen</b> in LendingSpace).</li> </ul>
General Information on Condominium Review	<p>For all Agency (non-AUS, DU, and LPA) non-delegated Correspondent condominium loan originations, the condominium project must be reviewed by the Truist Condominium Department for compliance with Agency requirements (<i>inclusive of projects eligible for a waiver of project review and projects that already appear on the Fannie Mae Approved Projects List and/or the Truist Approved Condominium Project List</i>).</p> <p><b>Note:</b> Condo projects eligible for a waiver of project review or that already appear on Fannie Mae's Approved Projects List and/or Truist's Approved Condominium Project List are included in this requirement due to Truist's obligations to:</p> <ul style="list-style-type: none"> <li>• meet the enhanced due diligence requirements regarding deferred maintenance and special assessments</li> <li>• verify that the project meets the applicable insurance requirements</li> <li>• meet ULDD (uniform loan delivery data) validation requirements</li> </ul>
Fannie Mae Unavailable Projects List	<p>Fannie Mae's Unavailable Projects List must be reviewed prior to submitting any project information to the Truist Condominium Department. Projects that appear on the Fannie Mae Unavailable Projects List have been determined by Fannie Mae to be ineligible. Loans secured by units in any project that appear on the Fannie Mae Unavailable Projects List are ineligible for purchase, regardless of the project review process used in underwriting the loan.</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• The <b>Fannie Mae Unavailable Projects List</b> is available in CPM.</li> </ul> <p><b>Reminder:</b> Correspondent lenders who are not Fannie Mae approved Seller/Serviceers are now able to request access to CPM. For additional details, see Fannie Mae's <a href="#">CPM Non-Seller Access Quick Guide</a> and <a href="#">Correspondents Toolkit for CPM</a>.</p> <ul style="list-style-type: none"> <li>• Projects that are on the Truist Approved Condominium Project List are being checked against the Fannie Mae Unavailable Projects List.</li> </ul>

## Bulletin Details, continued

### Agency Condominium Requirements Updates, continued

Topic	Update
<p>Fannie Mae Approved Projects List</p>	<ul style="list-style-type: none"> <li>Fannie Mae's Approved Projects List must be reviewed prior to submitting any project information to the Truist Condominium Department. Projects appearing on the Fannie Mae Approved Projects List may have gone down one of several approval paths, including the Project Eligibility Review Service (PERS) or other Fannie Mae proprietary approval processes. Fannie Mae's approval status must be final with all conditions cleared and valid (unexpired) as of the note date.</li> <li>When the project is reviewed by the Truist Condominium Department, the Truist Condominium Department must be notified of any project-related areas of concern that may surface during the course of the loan or appraisal review (for example, the appraiser mentions the project just failed its 50-year structural inspection, knowledge of major litigation, etc.) for any additional due diligence that may be deemed necessary.</li> <li>Additionally, the Correspondent Lender with delegated projects underwriting authority or the Truist Condominium Department is required to notify Fannie Mae if they discover a circumstance (such as, significant deferred maintenance, major litigation, etc.) that might cause the project to be ineligible. The notification must occur within five business days of such discovery so that Fannie Mae can determine whether it is appropriate to maintain or suspend the project approval. Before closing a loan secured by a unit in such a project, it must be confirmed that the project retains its approved status.</li> <li>Lenders are responsible for verifying and documenting that the project meets the applicable insurance requirements. Fannie Mae does not review insurance policies as part of their review process.</li> <li>We updated the description for Project Type Code T to reflect its usage for all Fannie Mae-approved projects (this code is no longer limited to PERS approvals).</li> </ul> <p><b>Note:</b> The <b>Fannie Mae Approved Projects List</b> is available in CPM.</p>
<p>Truist Approved Condominium Project List</p>	<ul style="list-style-type: none"> <li>Truist's Approved Condominium Project List must be reviewed prior to submitting any project information to the Truist Condominium Department. When the Truist Approved Condominium Project List is used to evidence project approval, Truist's approval status must be final with all conditions cleared and valid (unexpired) as of the note date.</li> <li>The Truist Condominium Department must be notified of any project-related areas of concern that may surface during the course of the loan or appraisal review (for example, the appraiser mentions the project just failed its 50-year structural inspection, knowledge of major litigation, etc.) for any additional due diligence that may be deemed necessary. Before closing a loan secured by a unit in such a project, it must be confirmed that the project retains its approved status.</li> </ul>
<p>Freddie Mac Reciprocal Project Review - Fannie Mae-Approved and Certified Projects</p>	<p>For LPA loans, we revised Reciprocal Project Review requirements for Fannie Mae-approved and certified projects to integrate Fannie Mae's CPM changes as follows:</p> <ul style="list-style-type: none"> <li>specified that Freddie Mac will purchase mortgages secured by 1-unit residential dwellings in condominium projects that: (i) have an "Approved by Fannie Mae" status designation in Fannie Mae's CPM, or (ii) the Truist Condominium Department has approved as a Fannie Mae "Full Review", ensured all data entered into CPM is correct and received a "Certified by Lender" status designation in Fannie Mae's legacy or updated CPM platform, when the project complies with all applicable Fannie Mae eligibility requirements and lender warranties</li> <li>updated requirements to state that when the condominium unit mortgage complies with the requirements for Reciprocal Project Reviews, then compliance with requirements for ineligible projects is not required</li> <li>added guidance to clarify that lenders must retain, and provide upon request, documentation to support its analysis that the condominium project meets Fannie Mae's Full Review requirements when the CPM status designation is "Certified by Lender"</li> <li><b>Special Feature Code (SFC) Requirement:</b> Use SFC K02 if the condominium project receives the Fannie Mae CPM status designation of "Approved by Fannie Mae"</li> </ul>

## Bulletin Details, continued

### Agency Condominium Requirements Updates, continued

Topic	Update
Condominium Requirements Improvement Updates	<p>In support of our standards improvement initiative we:</p> <ul style="list-style-type: none"> <li>removed outdated non-AUS and DU guidance related to “Special Approval Designation for Established Florida Condominium Projects” (<i>this Fannie Mae special approval designation process has been retired</i>)</li> <li>removed non-AUS second home and non-AUS investment property transactions requirements under the “Full Review Process (Fannie Mae)” and “Florida-Specific Condo Project Considerations” subtopics (<i>due to the ineligibility of Agency non-AUS second home and investment property transactions, previously announced in Product Release Bulletin <a href="#">COR21-013</a></i>)</li> </ul>

### Agency PUD Requirements Improvement Update

For non-AUS and DU loans, we clarified PUD requirements to reflect that Truist does not purchase single- or multi-width manufactured home loans regardless of the project’s Fannie Mae approval status. This is an existing overlay.

### Before and After Matrix

[Click here](#) to see the before and after matrix that provides a detailed overview of all standard revisions.

### Revised Materials

Click [Condominium and PUD Approval Requirements Standard](#), [Certification of Project Compliance: Condominium/PUD Lender Warranties - Agency and Non-Agency Loan Products \(COR 0212a\)](#), [Condominium Submission Form \(COR 0215\)](#), and [Agency Overlay Matrix](#) to review the revised product materials.

### Former Standards

See the before and after matrix provided in the Bulletin Details section of this bulletin to access the former standards.

### Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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