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Agency Condo Projects: New “Not Eligible” Status LPA Feedback Messages

Truist Bank (Truist) announces new Loan Product Advisor® (LPASM) feedback messages that will identify condo projects that do not meet certain Freddie Mac project review and general eligibility requirements. Condo loans that receive this LPA feedback messaging are not eligible for sale to Freddie Mac and therefore, are not eligible for purchase by Truist. See **Bulletin Details** for additional information.

Effective Dates

The new LPA feedback messages are effective on February 26, 2024.

Background Information

Freddie Mac Bulletin 2023-24 announced a new Condo Project Advisor® Project Assessment Request (PAR) “Not Eligible” finding status that indicates a project does not meet certain Freddie Mac project review and general eligibility requirements. The LPA February 2024 Release Notes announced that Freddie Mac is implementing new LPA feedback messages to identify condo projects that have received a “Not Eligible” status in Condo Project Advisor. In response to these publications, we identified the need to provide awareness of the new LPA feedback messages. The new feedback messages will assist lenders early in the origination process in identifying condo projects that do not meet Freddie Mac requirements.

Bulletin Details

Not Eligible Condo Projects

Effective February 26, 2024, when a loan is submitted to LPA and the Project Legal Structure type is “Condominium,” an LPA service will run an internal check to identify whether the project is one that has a “Not Eligible” status in Condo Project Advisor. If the project has this status, LPA will return a message identifying the reason for the ineligibility and indicating that Freddie Mac will not purchase the loan secured by the condo unit in the condo project. Condo loans that receive this LPA feedback messaging are not eligible for purchase by Truist.

Freddie Mac is also adding a new informational message in the Collateral section of the feedback certificate to alert lenders when Condo Project Advisor is not available and thus the project has not been assessed for a “Not Eligible” status.

An overview of the new LPA feedback messages is provided in the table below.

Bulletin Details, continued

Not Eligible Condo Projects, continued

Message Code	New Message Text	Purpose
PUR0409	The condominium project has been identified as a condominium hotel or similar type of transient housing. Freddie Mac will not purchase any mortgage secured by a condominium unit in such a condominium project.	Indicates that the subject property is in a condo project that has a Not Eligible status.
PUR0417	The condominium project does not have property insurance that complies with applicable requirements. Freddie Mac will not purchase any mortgage secured by a condominium unit in such a condominium project.	Indicates that the subject property is in a condo project that has a Not Eligible status.
FPA0160	Unable to assess the Not Eligible status of the Condominium Project due to a system error. Resubmit to receive this assessment. If you continue to receive this message, contact Customer Support at (800-FREDDIE) for assistance.	Advises user that Condo Project Advisor is not available, and thus the project has not been assessed for a Not Eligible status.

Notes:

- The absence of a message that indicates that the subject property is in a condo project that has a “Not Eligible” status does not mean that the project complies with all of Freddie Mac's project review and general eligibility requirements or that Truist and/or Freddie Mac will purchase any mortgage secured by a condo unit in that project. Such condo projects must still be assessed for compliance with all applicable requirements.
- As previously announced in Product Release [COR23-052](#), for LPA loans, a condo unit in a condo project with Condo Project Advisor PAR findings is not eligible, regardless of status. We anticipate aligning with Freddie Mac on this topic in the near future.

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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