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Agency Condominium Revisions

Truist Bank (Truist) revises Agency Loan Product Advisor® (LPASM) condominium requirements to align with previously announced Freddie Mac updates. With these updates we:

- provide overlay relief by permitting the use of acceptable Freddie Mac Condo Project Advisor® Project Assessment Request (PAR) findings for condominium loan purchases
- further revise LPA condominium requirements by:
 - incorporating updates related to condominium hotels or similar types of transient housing
 - refreshing various requirements to remove reference to outdated guidance and more closely align with Freddie Mac's wording and/or presentation of guidance (*intent of requirements remain the same*)

Effective Dates

All updates are effective immediately for existing and new loan applications on or after May 03, 2024.

Background Information

Freddie Mac Bulletin 2022-7 announced updates related to condominium hotels or similar types of transient housing. Freddie Mac Bulletins 2022-20, 2023-15, and 2023-24 announced updates related to Condo Project Advisor PAR. In response to these publications, we reviewed impacted standard documents, Truist technology, and operational processes and implemented revisions to support our alignment with Freddie Mac requirements. We also continue to identify opportunities to improve the presentation of our published Agency requirements.

Bulletin Details

Freddie Mac Condo Project Advisor PAR

For LPA loans, we aligned with Freddie Mac and now permit the use of acceptable Condo Project Advisor PAR findings for condominium loan purchases. Freddie Mac's Condo Project Advisor PAR allows authorized lenders to submit the name of a condominium project in Condo Project Advisor and obtain feedback (referred to as the "PAR Findings") regarding the project's compliance with the project review requirements assessed by Condo Project Advisor.

To be eligible for a PAR submission, the condominium project must be an established condominium project. Lenders will not be responsible for ensuring compliance with the project review requirements for established condominium projects assessed by Condo Project Advisor if Condo Project Advisor finds that the established condominium project complies with the requirement(s) and the PAR findings are detailed on a Condo Project Advisor Feedback Certificate maintained in the loan file.

Bulletin Details, continued

Freddie Mac Condo Project Advisor PAR, continued

Special Feature Code (SFC) Requirements: The following new SFCs must be used to identify a condominium loan with an acceptable PAR finding:

- Use SFC K01 to identify a condominium unit mortgage with a Green or Yellow status PAR finding.
- Use SFC J97 to identify a condominium unit mortgage with a Project Certified status PAR finding.

References to the above new SFCs have been added to the *Certification of Project Compliance: Condominium/PUD Lender Warranties – Agency and Non-Agency Loan Products* ([COR 0212a](#)) form.

Important Note: A mortgage secured by a condominium unit in a condominium project that receives a Condo Project Advisor “Not Eligible” status PAR finding remains ineligible for purchase by Truist.

See today’s revised Condominium and PUD Approval Requirements Standard document for additional details on what Condo Project Advisor PAR assesses and does not assess, the PAR findings/status, and all other requirements related to PARs.

Condominium Hotels or Similar Types of Transient Housing

For LPA loans, we revised condominium requirements to state that the following personalized services and centralized systems are classified as red flags rather than as characteristics that make a condominium project ineligible: daily cleaning services, porters/luggage service, room service, any central telephone service, and central key systems. A project with red flags may be eligible if the lender fully analyzes the project characteristics and related information and determines it is not a condominium hotel or transient housing.

Additionally, we revised LPA condominium requirements to state that market rate rent received by the homeowners’ association (HOA) for an on-site registration desk is not the same as revenue received by the HOA for a hotel type service and would not make the project ineligible.

Condominium Requirements Improvements Updates

For LPA loans, all other condominium related updates made were in support of our standards improvement initiative. With these additional updates, we removed reference to outdated guidance and refreshed various LPA requirements to more closely align with Freddie Mac’s wording and/or presentation of guidance (*intent of requirements remained the same*):

- **Condominium and PUD Approval Requirements Standard Document:** Removed the following outdated document banner: ***See Bulletins COR21-056 and COR21-071 regarding temporary condominium requirements for Agency loans.***
- **Project Risk Overview / Condo Project Advisor - Project Waiver Request (PWR):** Reformatted guidance to more closely align with Freddie Mac’s presentation

Bulletin Details, continued

Condominium Requirements Improvements Updates, continued

- **Project Review Methods/Types / Overview of Condominium Project Review and Eligibility Requirements and Project Review Types:** Added reference to Reciprocal Project Reviews – FHA Approved Project Review for Condominiums
- **Delivery Requirements:** Reformatted guidance to more closely align with Freddie Mac’s presentation
- **List of Ineligible Project Characteristics / Manufactured Housing:** Reformatted existing published overlay guidance
- **List of Ineligible Project Characteristics / Project in Need of Critical Repairs:** Added “*List of special assessments provided by the HOA or management company*” to the examples of documents lenders may need to review to determine a project meets Freddie Mac’s physical condition requirements
- **List of Ineligible Project Characteristics / Project with an Evacuation Order:** Relocated existing published guidance to align with Freddie Mac’s presentation

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 \(COR 0212a\)](#), 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 Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator 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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