



# Homeowner's Association Question Letter

Borrower: Sellerfirst Sellerlast  
Address: Test Address  
City, St 99999

Certification Number: XXXX  
Date Project Last Updated: Updated Date  
Date Ordered: Order Date

#	Question	Response
---	----------	----------

## Project Agency Eligibility Data

1. This association is a:
2. Are the units within this project attached or detached?
3. Is the project managed like a hotel or motel, even though the units are individually owned?
4. Please check applicable boxes below if any of the comments are true regarding the project:
  - Daily cleaning service is offered
  - Interior doors that adjoin other units
  - Project advertizes rental rates
  - Project has central key systems
  - Project has a central phone system
  - Project has restrictions on interior decorating
  - Project has a registration service
  - Project is a conversion of a hotel or motel or other similar transient properties
  - Project is located in a resort area (specific resort area)
  - Project offers franchise agreements
  - Room service is offered
  - The Project includes the word hotel or motel in its name
  - Units are typically sold furnished
  - Units can be leased on a daily or weekly basis
  - Units do not contain full-sized kitchens
5. Does this association have a rental desk, short term occupancy or daily cleaning services?
6. Is the association a timeshare or segmented ownership project?
7. Is there an onsite rental office?
8. Does the association have an established rental pooling agreement that requires unit owners to either rent their units or give the management firm control over the occupancy of the units?
9. Does the project require "blackout dates" or continuous occupancy limitations for the unit owners?
10. Are any of the units under 400 square feet in size?
11. Is the association a houseboat project?

## Question

## Response

12. Is the project a common interest apartment or community apartment project? (This is a project that is owned by several owners as tenants in common or by the homeowners association in which individuals have an undivided interest in a residential apartment and have the right to exclusive occupancy of a specific apartment building.)
13. Is the project an investment security (defined as projects that have documents on file with the Securities and Exchange Commission or projects where unit ownership is characterized as an investment opportunity).
14. Does the project have any non-incidentual business operations owned or operated by the homeowners association (such as but not limited to a restaurant, spa, health club, etc.)?
15. Is the project a legal non-conforming use of land? (Zoning requirements must allow the project to be rebuilt to encompass the same number of units or density in the event of full or partial destruction. Answer "No" here if the project is legally conforming zoning.)
16. Are there any manufactured housing units within the project?
17. Is the project a conversion of an existing building?
18. Is the association subject to inclusionary zoning (meaning some or all of the units may have restrictions on them including but not limited to age, income, etc.) which may affect future sales?
19. Does the association contain any commercial space? (Please define the use of the commercial space in the comments section of this question).
20. Does the project permit an owner to hold title (or stock ownership and the accompanying occupancy rights, for co-ops) to more than one dwelling unit, with ownership of all units (or shares) evidenced by a single deed and financed by a single mortgage (or share loan)?
21. Is the project a condominium hotel?
22. Is this project a site condominium (it contains all detached units but is still zoned as a condominium)?
23. Is the association an assisted living community providing meal or health care services? If yes, describe the additional services provided in the comments section of this question.
24. Is any of the common area leased?

## Sales and Construction Status

25. Are all of the units within the association completed?
26. Are all of the common areas completed?
27. Is the project subject to additional annexation or phasing?
28. What year was the project built (completed)?
29. Date that control of the homeowners association was turned over or will be turned over to the unit owners:
30. Has control of the association been turned over to the unit owners?
31. Is the association subject to a master or umbrella association?

**Question****Response**

32. The association includes the following amenities:

**Occupancy Information**

33. Total number of units within the association:

34. Total number of units sold and closed within the association:

35. Total number of units sold but not closed within the association:

36. How many units have onsite mailing addresses?

37. How many units have offsite mailing addresses within the association?

38. How many units are used as rental units?

39. Total number of phases within this association.

40. Are there individuals that own more than one unit within the project?

A. List multiple unit owners

41. Total number of units still owned by the developer:

42. Total number of units owned by the developer that are completed and leased by the developer.

43. Total number of units owned by the developer that are completed and are actively being sold.

**Assessments and Budget Information**

44. Please indicate the dollar amount within the association's reserve account:

45. Total number of unit owners currently more than 30 days delinquent in homeowner association assessments:

46. Total dollar amount of delinquencies (for the unit assessment over 30 days):

47. Total number of unit owners currently more than 60 days delinquent in homeowner association assessments:

48. Total dollar amount of delinquencies (for the unit assessment over 60 days)

49. Please indicate unit assessment ranges for this association:

A. All units are assessed equally at:

B. What is the frequency of the assessment charge?

50. Are the taxes for the individual units included in the H.O.A fees?

51. Are the units separately metered for utilities?

52. Utilities and services included in the unit assessment:

53. Are there any mortgages outstanding for the association (only include loans secured by real estate)?

## Question

## Response

- 54. Total reserves budgeted for the year:
- 55. Is the HOA budget adequate, including funding of replacement reserves for capital expenditures, deferred maintenance (at least 10% of the budget), adequate funding for insurance deductible amounts and allocations for line items pertinent to the type of association?
- 56. Total income budgeted for the year:
- 57. Is the general maintenance level of the common elements acceptable and is there no deferred maintenance, based on the comments by the appraiser and/or the pictures?
- 58. Are there recurring transfer fees paid to the developer?

## Title and Ownership Information

- 59. Are all units owned fee simple?
- 60. Are any units owned as leasehold estates?
- 61. Are any of the common areas still owned by the developer?
- 62. Do the unit owners have sole ownership and the right to use the project's facilities?

## Legal Information

- 63. Is there a right of first refusal clause contained within the association's governing documents?
- 64. Is the unit part of a condominium regime that provides for common and undivided ownership of common areas by unit owners?
- 65. Are there any provisions in the condominium project documents that give a condominium unit owner or any other party priority over any rights of the first mortgagee of the condominium unit pursuant to its mortgage in the case of payment to the unit owner of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage?
- 66. Do the legal documents of the Homeowner's Association contain language that protects the first mortgagee rights?
- 67. Does the association have Articles of Incorporation and Bylaws? If not what documents are used in lieu of Articles and Bylaws?
- 68. Is the association or the developer (if the project has not been turned over to the homeowners association) involved in any current or pending litigation? If yes, a comment is required. (Do not include neighbor disputes or rights of quiet enjoyment, litigation where the claim amount is known and the insurance carrier will provide defense and coverage, or where the HOA is named as a plaintiff in a foreclosure action or to collect past due assessments).
- 69. Is asbestos, lead-based paint or any other environmental toxin present in any unit or common area of the development? If yes, a comment is required.
- 70. If unit is taken over in foreclosure or deed-in-lieu of foreclosure, secondary market agencies (Fannie Mae, Freddie Mac and FHA) allow HOA assessment to have a limited priority over their first lien position. Do the association governing documents or the state's statutes allow for the limited collection of past due assessments priority over the first lien position?

## Question

## Response

71. Is the project located in a jurisdiction that has enacted the Uniform Condo Act, Uniform Common Interest Ownership Act or similar statutes that provide for regular common expense assessments?
72. Are the units subject to "private transfer fee covenants" that have been created on or after February 8, 2011 as defined in FHFA regulation 75 FR 49932 ?

## Homeowner Information

73. Are there any current special assessments or governing body approved special assessments, against units within the association? If yes, a comment is provided.

## Management Information

74. What is the length of the current management contract (in years)?
75. Does the management contract require a penalty for cancellation or an advanced notice of at least ninety days?
76. Are two or more board members required to authorize disbursements from the reserve account?
77. Does the homeowners association have separate records for the operating and reserve accounts?
78. Are monthly bank account statements being sent directly to the homeowners association?
79. Does the management firm have the authority to disburse funds from the reserve account?

## Insurance Information

80. Name of the insurance carrier for the association:
- A. Insurance broker's or agent's company name:
  - B. Identify the insurance agent's name:
  - C. Insurance agent's phone number:
  - D. Insurance agent's fax number:
  - E. Insurance agent's email address:
81. Liability limit per occurrence for bodily injury:
82. Fidelity bond/employee dishonesty insurance amount:
83. Does the owners association carry adequate common area coverage and do all other coverages reflect the character, amenities and risks of the particular development?

## Comments