

Non Warrantable Condominium Risk Level



	Level 1 Risk	Level 2 Risk	Level 3 Risk
Non-Warrantable Condominium Characteristics	<ul style="list-style-type: none"> • New Projects that do not meet the minimum 50% presale requirement • Commercial Non Residential Space > 25% but ≤ 50% • Mandatory Membership Fees 	<ul style="list-style-type: none"> • Condotel which is affiliated with a nationally recognized hotel chain (Westin, Four Seasons, Ritz, St. Regis) Note: Condotels are NOT allowed on Fresh Start. • Newly converted non-gut rehabs (including Engineer's Report) • Single entity ownership 10% but ≤ 50% 	<p>Condotel which is not affiliated with a nationally recognized hotel chain (Westin, Four Seasons, Ritz, St. Regis) is allowed as long as the below criteria is met:</p> <ul style="list-style-type: none"> • Project has been established for a minimum of 5 years. • The HOA's annual budget evidences a minimum of 10% of the HOA's annual dues allocated to their Reserve Savings Account. • No special assessments for repair/replacement of major components which are typically covered by the HOA's Reserves. (Special assessments for non-mandatory items, e.g., lobby redesign and updating or front entrance beautification are acceptable.) • Project must be in at least average condition with no project deferred maintenance cited by the subject unit's appraisal report <p>Project is professionally managed. Note: Condotels are NOT allowed on Fresh Start.</p>
	<ul style="list-style-type: none"> • Fractured project: > 10% but ≤ 25% single ownership are allowed on a case by case basis based on overall strength of the project • Non-Incidental Business Income > 15% • Private Transfer Fees • Florida - New Construction • Projects that don't meet the 50% minimum owner-occupancy for investment transactions 	<ul style="list-style-type: none"> • Fractured project: > 25% single ownership are allowed on a case by case basis based on the overall strength of the project • Projects with moderately insufficient budgetary reserves, including properties with > 15% 60 days past due HOA fees (allowed on a case by case basis based on the overall financial strength of the project.) • Minor Litigation not meeting Agency documentation requirements • HOA Dues Lien Priority • Close on first unit in the project. Subject unit must be 100%. 	<ul style="list-style-type: none"> • Commercial Non-Residential Space > 50% but ≤ 60% • Live Work Projects (50% max) • Legal non-conforming use • Fractured project: >50% single ownership are allowed on a case by case basis based on the overall strength of the project • Projects with excessively insufficient budgetary reserves, including properties with > 15% 60 days past due HOA fees (allowed on a case by case basis based on the overall financial strength of the project)
Maximum DTI	43% DTI	43% DTI	43% DTI
Additional Required Reserves	3 months PITI	3 months PITI	3 months PITI
Minimum FICO	660 (Investment, Fresh Start, Premier Access, Homeowner's Access) 680 (Foreign National, if domestic credit is available)	680 (Investment, Fresh Start, Premier Access, Homeowner's Access) 680 (Foreign National, if domestic credit is available)	700 (Investment, Fresh Start, Premier Access, Homeowner's Access) 700 (Foreign National, if domestic credit is available)
Maximum LTV	Max financing per the LTV Matrix	5% LTV reduction off Max financing	5% LTV reduction off Max financing
Eligibility Requirements	<ul style="list-style-type: none"> • Caliber Home Loans will not finance more than 25% of the units in any one project. • Must be legal conforming use. Zoning must permit reconstruction as condominium in the event of total destruction. • Units must be at least 500 square feet. • Condo-ops allowed. Definition: A condominium building with separate commercial and residential unit. The residential units are controlled by the co-op corporation. (The sponsor/developer typically retains or sells the commercial units separately. These can include retail space, office space, and parking garage.) *Condo-ops not allowed in Correspondent* • Fractured Projects Definition: A "New" project where the builder/developer is renting out over 10% of the project OR the original builder/developer went bankrupt; and a subsequent developer or construction lender took over the project and is now renting/selling the remaining units. 		
Ineligibility Condominium Types	<ul style="list-style-type: none"> • Projects with time shares or fractional ownership • Houseboats • Manufactured Homes • Common Interest Apartments, Tenants-in-Common or Continuity Interest Apartment • Continuing Care Retirement Communities (CCRC) • Deed Restriction Communities (age restricted communities permitted) • Multi Dwelling Units • Investment Securities Project registered with the SEC 		