



Special Properties

Condominiums/Planned Unit Developments

Single Family Housing Guaranteed
Loan Program



United States
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Training Objectives

- Where is the topic located?
 - * 7 CFR Part 3555 and HB-1-3555
- Learning Checks
- Resources



Things change!

- Every effort has been made to ensure training references are accurate at the time of publication.
- Always reference the most recent USDA publications available online.



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Guaranteed Loan Program Regulation


7 CFR Part 3555

- The regulation is the rule!
- 8 Subparts: A – H
- Appendix 1




7 CFR Part 3555

<http://www.rd.usda.gov/publications/regulations-guidelines>





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7 CFR Part 3555

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HB-2-3550 Direct Single Family Housing Loans and Grants - Centralized Servicing Center Handbook

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

HB-1-3560 MFH Loan Origination Handbook

HB-2-3560 MFH Asset Management Handbook

HB-3-3560 MFH Project Servicing Handbook

HB-1-3565 Guaranteed Rural Rental Housing Program Origination and Servicing Handbook

Application Information Systems Support Handbook

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7 CFR Part 3555

Subpart E: Underwriting the Property

- .201: Site requirements
- .202: Dwelling requirements
- .203: Ownership requirements
- .204: Security requirements
- **.205: Special requirements for condominiums**
- .206: Special requirements for community land trusts
- **.207: Special requirements for Planned Unit Developments (PUD's)**
- .208: Special requirements for manufactured homes
- .209: Rural Energy Plus loans



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7 CFR Part 3555

3555.205 Special requirements for condominiums.

3555.206 Special requirements for community land trusts.

- (a) Rural Development review.
- (b) Foreclosure termination.
- (c) Organization.
- (d) Lender documentation.
- (e) Appraisals.

3555.207 Special requirements for Planned Unit Developments.



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7 CFR Part 3555

Sec. 3555.205 Special requirements for condominiums.

Loans may be guaranteed for condominium units in condominium projects that meet all the requirements of this part, as well as the standards for condominium standards established by HUD, Fannie Mae, VA, or Freddie Mac, including those related to self-certification, warranty, underwriting, and ineligible condominium projects.



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7 CFR Part 3555

Sec. 3555.207 Special requirements for Planned Unit Developments (PUDs).

Loans may be guaranteed for PUDs that meet all of the requirements of this part, as well as the criteria for PUDs established by HUD, VA, Fannie Mae, or Freddie Mac.



Guaranteed Loan Program Technical Handbook

HB-1-3555

- Provides guidance to support the regulation
- HB is not the rule
- 20 Chapters

HB-1-3555

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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HB-1-3555: Chapter 12

SECTION 5: CONDOMINIUMS

12.11 CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS

- A. Condominiums
- B. Planned Unit Developments



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TIPS

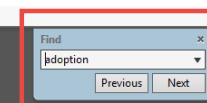
- Underwriter = USDA Approved Lender
- USDA = not an underwriter
- Research Rule & HB questions: Table of Contents
- Research Rule & HB questions: Control + F

7 CFR Part 3555

supplemental social security income and Social Security benefits received in a lump sum;

(vii) Any earned income tax credit;

(viii) **Adoption** assistance in excess of any amount determined pursuant to HUD's definition of annual income at 24 CFR 5.609(c);





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7 CFR PART 3555 / HB-1-3555

LEARNING CHECKS



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Question Slide

“Topic”

- Question will be bulleted with scenario, or
- Include a statement/question

TRUE/FALSE or other answer options will be displayed



ANSWER SLIDE

“Topic”

ANSWER: 7 CFR Part 3555 and HB-1-3555 references provided

X. Correct Response

- Additional guidance for clarification may be provided



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LET'S
GET STARTED.



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Special properties

- A condominium is approved by HUD and Fannie Mae
- It is eligible for a guaranteed loan

A. TRUE B. FALSE



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Special properties

ANSWER: 3555.205, HB 12.11 A

A. TRUE

- Condominiums must be approved/accepted by at least one entity
- Fannie Mae, Freddie Mac, HUD, or VA



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Special properties

- The lender has an acceptance for a condominium through Fannie Mae's Condo Project Manager automated system
- This is acceptable evidence for the loan file to support condominium eligibility

A. TRUE

B. FALSE



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Special properties

ANSWER: 3555.205, HB 12.11 A

A. TRUE

- Lenders are responsible to retain all documentation utilized to arrive at eligibility decision



Special properties

Homeowner Association (HOA) fees for condominiums and/or PUD's are not required to be included in the debt ratio.

A. TRUE B. FALSE



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Special properties

ANSWER: 3555.205, HB 12.11 A and 12.11 B

B. FALSE

- HOA fees must be included in the PITI
- The PITI is considered in the total debt ratio



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Special properties

A condominium rider is required as part of the mortgage or deed of trust.

A. TRUE B. FALSE



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Special properties

ANSWER: 3555.205, HB 12.11 A

A. TRUE

- Condominium rider must supplement the mortgage or deed of trust



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A condominium timeshare is eligible for a USDA guaranteed loan.

A. TRUE B. FALSE



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Special properties

ANSWER: 3555.205, HB 12.11 A 1

B. FALSE

- Timeshares, condominium hotels, and other projects listed in this section are ineligible



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**WAY
TO GO!**



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Housing Guaranteed Loan
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