Special Properties

Condominiums/Planned Unit Developments

Single Family Housing Guaranteed Loan Program
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.
Guaranteed Loan Program Regulation

7 CFR Part 3555

• The regulation is the rule!
• 8 Subparts: A – H
• Appendix 1
7 CFR Part 3555

Handbooks
- HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook
- HB-2-3550 Direct Single Family Housing Loans and Grants - Centralized Servicing Center Handbook
- HB-1-3555 SFH Guaranteed Loan Program Technical Handbook
- HB-1-3556 SFH Loan Origination Handbook
- HB-2-3556 SFH Asset Management Handbook
- HB-3-3556 SFH Project Servicing Handbook
- HB-1-3565 Guaranteed Rural Rental Housing Program Origination and Servicing Handbook
- Application Information Systems Support Handbook
- HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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- Chapter 7 - Loan Terms and Conditions
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- Chapter 12 - Property and Appraisal Requirements
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- Chapter 17 - Regular Servicing-Performing Loans
- Chapter 18 - Servicing Non-Performing Loans - Accounts with Repayment Problems
- Chapter 19 - Custodial and Real Estate Owned Property
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Acronyms

Glossary

Appendix 1 - 7 CFR part 3555
Appendix 2 - Forms and Instructions
Appendix 3 - Review and Appeals
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Appendix 5 - Income Limits
Appendix 6 - Interest Assistance
Appendix 7 - Caivrs Access Instructions
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Appendix 9 - Penalties
Appendix 10 - Unnumbered Letter and State Supplements
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
### 7 CFR Part 3555

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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.
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 SFH Guaranteed Loan Program Technical Handbook

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SECTION 5:  CONDOMINIUMS
12.11  CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS
A. Condominiums
B. Planned Unit Developments
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);
7 CFR PART 3555 / HB-1-3555
LEARNING CHECKS
“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
LET’S GET STARTED.
Special properties

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

A. TRUE   B. FALSE
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
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
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
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
Special properties

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

A. TRUE   B. FALSE
Special properties

ANSWER: 3555.205, HB 12.11 A

A. TRUE

• Condominium rider must supplement the mortgage or deed of trust
Special properties

A condominium timeshare is eligible for a USDA guaranteed loan.

A. TRUE  B. FALSE
Special properties

**ANSWER:** 3555.205, HB 12.11 A 1

B. FALSE

- Timeshares, condominium hotels, and other projects listed in this section are ineligible
WAY TO GO!
Regulations

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