

RECERTIFICATION PROCESSING REQUIREMENTS

- 1) Determine date project was initially approved - can be checked in FHA Connection or on the public web site located at:
<https://entp.hud.gov/idapp/html/condlook.cfm>
- 2) If project initially approved **prior to January 1, 2000**, full project approval is required.
- 3) If project initially approved **on or after January 1, 2000**, then the project is eligible for the recertification process.
- 4) Projects may be recertified beginning six (6) months prior to the approval expiration date or within six (6) months after the approval expiration date.
- 5) Projects not recertified within six (6) months after the approval expiration date will require full project approval.
- 6) New FHA case numbers **will not** be assigned for those projects where the project approval has expired and the project has not been recertified or reapproved prior to the project expiration date.
- 7) Recertification packages may be submitted by the Lender (authorized lender staff), Builder/Developer, Homeowners Association, Management Company or an Attorney or Project Consultant who submits on behalf of one of the other referenced (named) parties. Packages may not be submitted by Borrowers, Sellers and/or Real Estate Agents.
- 8) Recertification packages may be submitted to the jurisdictional Homeownership Center and processed under the HRAP option. DELRAP participating lenders may review and process recertification packages.
- 9) All documentation and information required on the Condominium Recertification Cover Letter/Document and Checklist **must** be included in the request for recertification review. Lenders may elect to use their own form; however, it **must** contain all information required on the examples provided.
- 10) DELRAP participating lenders **must** upload all required recertification documentation, including all **recorded** legal documents, in FHA Connection (FHAC).
- 11) Regardless of the processing option selected, HRAP or DELRAP, the reviewer **must** enter the final determination and associated data into the Condominium Maintenance screen in FHAC.

RECERTIFICATION SYSTEM REQUIREMENTS

1. Access FHAC → Select Single Family FHA → Select Single Family Origination → Select FHA Approval Lists → Select Condominiums → Select Send
2. Enter condominium project id or first few letters of condominium project name and under Status Select All → Select Send
3. The Condo List Screen will be displayed → Select Applicable Project → Select Send
4. The Condominium Project Maintenance screen is displayed → In the Specify Processing Mode box Select one of two options: "This project is eligible for recertification based on an approval date greater than January 1, 2000;" or "This project is not eligible for recertification based on an approval date prior to January 1, 2000; therefore, full project approval is required." If the project is ineligible for the recertification process, then full project approval will be required and the option for full project approval should only be selected if you are in receipt of all required documents and information for evaluating the project approval request.
5. The reviewer is **required** to review and update all data fields, complete required certification (for approvals and rejects – this is currently a hard edit), enter final decision and upload applicable **recorded** documents. It is important that the reviewer enter the appropriate Composition of Project information in the defined data box.
6. The required certification that must be completed by the reviewer for recertifications or full project approval is as follows:

I certify that the condominium legal documents reviewed at the time of recertification:

Do not contain any changes or conditions since the project was initially FHA approved

- OR -

Change(s) have been made since the initial project approval and have been identified. The changes do not affect the eligibility of the project.

One of the two boxes must be selected if the project will be rejected as there is currently a "hard" edit that will preclude further processing. FHA will work with the contractor regarding the "hard" edit and required system modifications.

7. The reviewer is **required** to review and update all data fields, enter final decision and upload applicable documents (DELRAP). It is important that the reviewer enter the appropriate Composition of Project information in the defined data box.

OTHER RECERTIFICATION RULES

- 1) Prior Pre-HRAP/DELRAP approvals will not be imported into the new database. These projects will now require full project approval or recertification of the project depending upon the prior approval date.
- 2) New FHA case numbers cannot be assigned if the condominium project's approval status is expired or the project is rejected through the recertification or full project approval process.
- 3) If recertification or full project approval processed by a lender (DELRAP) is later withdrawn by HUD personnel, the approving lender's cases cannot be endorsed for FHA insurance. However, cases that were processed by other lenders can be endorsed.
- 4) Submission of additional units cannot be made when processing a recertification or full project approval.
- 5) All required information that is missing must be entered (e.g., converted projects).
- 6) Only recorded condominium project documents are accepted.
- 7) Recertification or full project approval for condominium projects located in the state of Florida can only be processed by the Atlanta HOC.
- 8) Manufactured housing condominium projects can only be processed by HUD personnel.
- 9) Authorized lender users (DELRAP) only have the option to recertify the project. Information on the Condominium Project Maintenance page can only be updated by recertifying the project.
- 10) The only Construction Code that may be entered is Existing Construction.
- 11) Pre-HRAP/DELRAP condominium information is view only and cannot be updated.
- 12) The total number of units in the project must be greater than zero.
- 13) Status outcomes as follows:
 - Project Recertification was approved on [date].
 - Project Recertification was rejected on [date].
 - Full Project Approval was approved on [date].
 - Full Project Approval was rejected on [date].
- 14) Projects previously rejected or withdrawn are ineligible for recertification and require full project approval using the HRAP processing option.

- 15) If the project recertification request is rejected or withdrawn, follow the requirements of Section X. General Processing Steps for DELRAP or HRAP, Item E in ML 2009-46 B regarding how to handle subsequent submissions.
- 16) The recertification process includes all legal phases approved as of the review date.
- 17) Projects containing rent stabilization or affordable housing units must be processed using the HRAP option. These projects are ineligible for recertification processing under DELRAP.
- 18) Pending litigation does not include routine foreclosure actions by lenders to obtain rights to a specific unit.
- 19) Lenders should retain the documents for approving or recertifying a condominium project for a minimum of 2 years from the disposition date.

CONDOMINIUM RECERTIFICATION

COVER LETTER/DOCUMENT

General Condo Information:

Condo ID: _____ (Condo ID begins with A, D, P or S)

Condominium Legal Name: _____

HOA Tax Payer ID, if available: _____

Project Address: _____

City _____ State _____ Zip _____

Major Cross Streets: _____

Lot _____ Block _____ Plat _____ *Metes & Bounds _____

*Attach legal description

Month/Year Project Completed: _____ (if legally phased, provide the first phase completion date and the completion date of the latest approved phase)

Manufactured Housing: Yes/No _____

Project Composition: Describe the project, e.g. high-rise, duplex, number units, etc.

Request Submitted By:

**Name: _____

**Identify as applicable: Lender, Builder/Developer, Homeowners Association, Management Company, Attorney, or Consultant

Address: _____

Contact Person: _____

Contact Phone Number and Email Address: _____

RECERTIFICATION CHECKLIST

Projects approved **after** January 1, 2000, are eligible for recertification.

Projects approved **prior to** January 1, 2000, require full project approval and are not eligible for review under the defined recertification process.

Documentation listed in items 1 through 6 must be submitted with the recertification request for all projects. Documentation required by a Yes response to Items 8 and 9 must also be submitted as applicable.

1. Cover letter/document
2. Condo legal documents
 - Recorded plat map indicating legal description
 - Recorded covenants, conditions and restrictions (CC&Rs)
 - Signed and adopted bylaws
 - Articles of Incorporation filed with the State (if applicable)
 - Recorded condominium site plans
3. Financial Documents:
 - Budget (Actual/not more than 12 months old) **or**
 - Fannie Mae form 1073a, Analysis of Annual Income and Expenses-Operating budget signed by an authorized individual
 - Reserve Study only required if a or b is insufficient
4. Management Agreement (if applicable)
5. FEMA Flood Map
 - LOMA, LOMR or an Elevation Certificate (if applicable)
6. Evidence of Required Insurance Coverage
 - Master Flood Insurance Policy (as applicable)
 - Liability Insurance
 - Hazard Insurance
 - Fidelity Bond Insurance
7. Has Transfer of Control occurred? Yes No
If yes, provide the date _____
8. Pending Litigation (Include Receivership/Bankruptcy)? Yes No
(If yes, please provide an explanation)
9. Pending Special Assessment(s)? Yes No
(If yes, please provide an explanation)

Additional Required Information

Total number of planned legal phases within the project _____

Total number of units in planned legal phases completed _____

Total number of units _____

Number of owner-occupied units _____

Number of tenant occupied units _____

Number of units vacant and unsold _____

Number of bank-owned units (REO) _____

Number of investor owned units within the project* _____

*Provide number of units owned by each individual investor _____

Number of units where HOA dues are >30 days delinquent (Includes REO owned units) _____

Number of defined affordable housing units _____

Number of defined rent stabilized units _____

Percentage of commercial space _____

Provided below is the required certification that must be completed by the reviewer.

I certify that the condominium legal documents reviewed at the time of recertification:

Do not contain any changes or conditions since the project was initially FHA approved

- OR -

Change(s) have been made since the initial project approval and have been identified. The changes do not affect the eligibility of the project.

Name **Date**

Title