

FANNIE MAE AND FREDDIE MAC LENDING GUIDELINES IMPACT ON CONDOMINIUMS AND HOUSING COOPERATIVES

Snap Survey

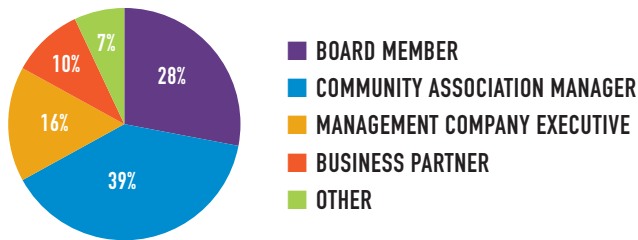
JANUARY 2025

310 participants from 38 states plus DC

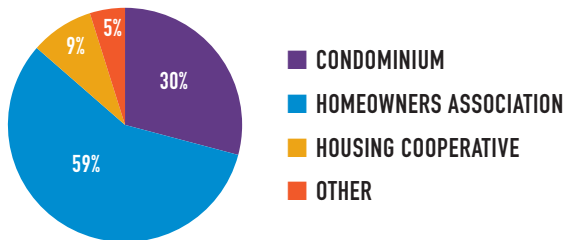
States represented: AL, AZ, CA, CO, CT, DE, FL, GA, HI, IL, IN, IA, KS, KY, ME, MD, MA, MI, MN, MO, MT, NV, NH, NJ, NY, NC, OH, OK, OR, PA, SC, TN, TX, UT, VT, VA, WA, WI

57,018 communities total were represented nationwide.

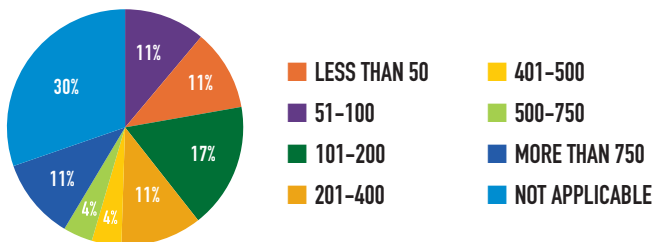
What is your role in the community association housing model?



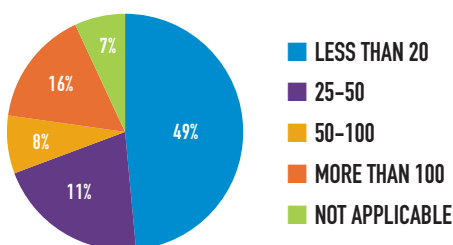
What type of community association do you represent, please check all that apply.



If you are answering for one community, how many units in your community?



On average how many units in your community sell each year?



Which of the following concerns do you/your community clients have regarding the Fannie Mae and Freddie Mac lender requirements?

- 71% Exposure to liability for answering questions that are beyond my knowledge and expertise
- 54% Exposure to liability for not answering the questions
- 49% Questions are beyond my knowledge and expertise
- 32% Unable to provide the information being requested by the lender
- 28% We have to hire professionals to answer the questions
- 14% None
- 32% Other

Other comments- Respondents noted that there was a concern about having to answer questions not relevant to their community, or which were not appropriate due to state reserve requirements being stricter than other jurisdictions. There was also a concern about the time commitment being placed on seniors, questions about insurance, and a general lack of knowledge on certain questions.

Which of the following have you experienced as an impact of the lender requirements in your community/communities?

- 17% None
- 17% Delay in lender approval
- 15% Lender denial due to insurance deductible requirement
- 11% Lender denial due to inadequate insurance coverage
- 10% Lender denial due to inability to meet reserve requirement
- 10% Lender denial (sale didn't go through) because we couldn't answer the question(s)
- 10% Lender denial due to inability to meet other requirements
- 5% Not Applicable
- 4% Lender denial (sale didn't go through) because the building is unsafe
- 30% Other

Other comments- Respondents indicated they had not experienced a denial as of the date of the survey, but were concerned about being on the ineligible list. Other respondents noted that their community had seen multiple denials for a variety of reasons listed in the question.

If you have experienced a lender denial in your community, what is the reason?

- 20% Unable to meet insurance requirements due to deductible requirement
- 17% Unable to meet reserve study or funding requirements
- 12% Ongoing structural maintenance project
- 6% Current litigation
- 7% Unable to meet insurance requirement due to inability to obtain requisite coverage
- 5% Unable to meet insurance requirement due to expense related to adequate coverage
- 2% Special assessment
- 1% Connection with master association club membership
- 30% Other

Many respondents shared personal stories of struggling with denial from lenders, confusion about the complexity of the lender questionnaire, and frustration with Fannie and Freddie's limited access to mortgages in their communities.