



SmartCondo Checklist

To get started, please contact the Smart Series team:

Wholesale: Your Smart Series AE

Retail: SmartPrequal-Retail@NewRez.com

Call Center: SmartPrequal-CallCenter@NewRez.com

Project Name:	
Location:	
Management or HOA Contact:	

The following are required:

- ✓ No more than 2 non-warrantable features are permitted for a property and are subject to NewRez approval
- ✓ Full project review
- ✓ Minimum 500 square feet
- ✓ Must have a separate bedroom and fully functioning kitchen with a stove (hotplates and microwaves only not permitted)
- ✓ Minimum loan amount \$150,000 (\$200,000 for condotel)

Characteristics	Fannie Mae Guidelines	SmartCondo Guidelines	✓
COMMERCIAL SPACE	35%	Maximum 50% and must be typical for the market and compatible with the use of the subject project. A separate HOA is required unless the residential unit owners have controlling voting rights.	<input type="checkbox"/>
SINGLE ENTITY OWNERSHIP	<ul style="list-style-type: none"> • projects with 5 to 20 units - 2 units • projects with 21 or more units - 20% • The single-entity ownership requirement may be waived when the single entity represents no more than 49% of the units and the transaction is a purchase transaction that will result in a reduction of the single-entity ownership concentration 	<ul style="list-style-type: none"> • Maximum 49%. • Non-gut conversions may have a single entity ownership up to 65%. <ul style="list-style-type: none"> ○ Vacated units are not permitted to be re-leased (must be listed for sale) ○ Existing leases do not get extended ○ No bulk sales over 10% 	<input type="checkbox"/>
DELINQUENT HOA DUES	15% maximum 60 days or more delinquent	25% maximum 60 days or more delinquent	<input type="checkbox"/>
RECREATIONAL LEASES	Not permitted	Permitted for amenities such as clubhouse, pool, recreational facilities used by unit owners only or collective HOAs (not open to the public). Mandatory golf memberships, beach clubs and dining memberships are not considered acceptable amenities	<input type="checkbox"/>
INVESTOR CONCENTRATION	Maximum 50% when the subject transaction is an investment property, no maximum for limited review	Maximum 75% when the subject transaction is an investment property	<input type="checkbox"/>
NON-INCIDENTAL INCOME	10%, some exceptions to 15%	May not make up more than 35% of total HOA budgeted income	<input type="checkbox"/>
LITIGATION	Per Fannie Selling Guide Section B4-2.1-03	Exceptions to Fannie Mae Selling Guide Section B4-2.1-03 will be considered on case-by-case basis. Litigation involving structurally related matters will not be considered.	<input type="checkbox"/>

Characteristics	Fannie Mae Guidelines	SmartCondo Guidelines	✓
RESERVES	10%	<ul style="list-style-type: none"> less than 10% but greater than 7.5% if current reserve balance exceeds 10% of operating expenses less than 7.5% but greater than 5% if current reserve balance exceeds 20% of operating expenses less than 5% if current reserve balance exceeds 50% of operating expenses project balance sheet must be provided within 120 days of note 	<input type="checkbox"/>
COMPLETION	Project or subject phase must be 100% substantially complete	The subject property building, and prior legal phases must be substantially complete. Substantially complete includes the common elements as being complete	<input type="checkbox"/>
PRE-SALE	50% of the units must be sold or under contract to primary residents or second home owners in the subject project or phase.	Pre-Sale: <ul style="list-style-type: none"> Primary Residence: <ul style="list-style-type: none"> 30% of the units must be sold or under contract to primary residents or second home owners in the subject phase; or 50% of the units must be sold or under contract to primary residents or second home owners in the subject building Second Home or Investment Property: 30% of the units must be sold or under contract to primary residents or second home owners on the subject phase; 	<input type="checkbox"/>
FLORIDA NEW CONSTRUCTION	PERS Required	<ul style="list-style-type: none"> Full project review must be complete and meet Fannie Mae standard project requirements (PERS not required) 75% maximum LTV for primary residence 70% maximum LTV for second home Investor properties not permitted Additional non-warrantable features described in this profile are not permitted 	<input type="checkbox"/>
CONDOTEL	Not permitted	<ul style="list-style-type: none"> 10% LTV reduction required Must be in a resort area or metropolitan area with a project associated with nationally recognized high-end hotel brand (Westin, Ritz Carlton, Four Seasons, etc.) Project must be established for 3 or more years No more than 15% of HOA dues may be 60 or more days delinquent 10% HOA reserve requirements required <ul style="list-style-type: none"> less than 10% but greater than 7.5% if current reserve balance exceeds 10% of operating expenses No fractional ownership permitted (including timeshare) Mandatory rental pools and/or rental requirements are not permitted. Borrower must have exclusive use Occupancy restrictions or black-out dates not permitting year-round owner occupancy are not permitted All other Fannie Mae standard condo project requirements must be met 	<input type="checkbox"/>

**Exceptions may be considered on a case-by-case basis.
Please contact your Smart Series Team**