

**FHA Loans
Update on Changes for Condominium**

Summary: Beginning October 15, FHA can consider condominiums for financing individually, even if the agency has not approved the condominium development overall. If the development has 10 or more units, FHA caps eligibility at 10 percent; in developments with less than 10 units, the FHA maximum is two.

For approved condominium developments, the recertification requirement is stretching to three years, instead of the current two. Additionally, FHA changed its owner-occupancy ratio requirements, allowing for more opportunities.

The number of units that are rented within a condominium building affects FHA certification. Unlike Freddie Mac and Fannie Mae, who do not restrict the purchase of primary residences based on the number of rentals in a condo building, FHA required 50 percent of the units to be owner-occupied to be eligible for certification. The new FHA condo rules lower the owner occupancy rate requirement to 35 percent for properties that are more than one year old and have less than 10 percent of units in arrears on their dues. This should greatly improve the number of properties that can be certified.

There are a number of other changes that will also benefit homebuyers.

Full Article: <https://rismedia.com/2019/10/06/win-fha-condo-approvals/>