

PROGRAM NAME:	<p>NEW REVISED – Effective Immediately</p> <p>Crescent Condo – LP/DU</p> <p>Crescent does not do loans for Condo’s in a new project. Project must conform to established project only.</p>												
PRODUCT DESCRIPTION:	Condo’s for primary residence and 2 nd homes.												
TERM:	30, 25, 20 or 15 Year Amortization.												
MAXIMUM LOAN AMOUNT:	Maximum Conforming Loan Limit												
MAXIMUM LTV’S:	<p style="text-align: center;">*Established Project Only - LP/DU</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="607 722 870 831">Occupancy</th> <th data-bbox="870 722 1170 831">***Max LTV / TLTV’s LP/DU</th> <th data-bbox="1170 722 1360 831">Credit Score</th> </tr> </thead> <tbody> <tr> <td data-bbox="607 831 870 995"> Primary Purchase or Rate/Term Cash-out </td> <td data-bbox="870 831 1170 995"> 90%/90% CLTV 80%/80% CLTV 70%/70% CLTV </td> <td data-bbox="1170 831 1360 995"> 41 DTI – 680 45 DTI – 720 660 680 </td> </tr> <tr> <td data-bbox="607 995 870 1163"> Second Home Purchase or Rate/Term Cash-out </td> <td data-bbox="870 995 1170 1163"> 75%/75% CLTV N/A </td> <td data-bbox="1170 995 1360 1163"> 660 N/A </td> </tr> <tr> <td data-bbox="607 1163 870 1285"> Investment Purchase or Rate/Term </td> <td data-bbox="870 1163 1170 1285"> N/A </td> <td data-bbox="1170 1163 1360 1285"> N/A </td> </tr> </tbody> </table> <p>*Established Project</p> <ul style="list-style-type: none"> - <u>All units & common elements</u> are to be fully completed & not subject to any additional phasing or additions. - At least 90% of the total units in the project have been conveyed to the unit purchasers other than the developer. - The unit owners control the H.O. Association. <p>**** - Condo’s located in Florida Maximum LTV 75% Primary. Maximum LTV 70% Second Home must not be new converted project.</p>	Occupancy	***Max LTV / TLTV’s LP/DU	Credit Score	Primary Purchase or Rate/Term Cash-out	90%/90% CLTV 80%/80% CLTV 70%/70% CLTV	41 DTI – 680 45 DTI – 720 660 680	Second Home Purchase or Rate/Term Cash-out	75%/75% CLTV N/A	660 N/A	Investment Purchase or Rate/Term	N/A	N/A
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ELIGIBLE PROGRAMS:	<p>5/1 ARM and Fixed Rate must meet all requirements for PMI.</p> <p>DU Product Code Q LP</p>												

ELIGIBLE BORROWERS:	Owner Occupants: Eligible Second Homes: Eligible
ELIGIBLE PROPERTIES:	<p>(Limited Review) High rises, low rises, attached and detached condominiums.</p> <ul style="list-style-type: none"> ▪ A project where the Home Owners Association/sponsor or developer is not named as a party to pending litigation. ▪ Subject is not located in a condotel. (See attached Exhibit A for characteristics of a condotel.) ▪ Subject unit may not be subject to any timeshare. ▪ Project is not a houseboat project. ▪ No leaseholds. ▪ No manufactured housing. ▪ No non-conforming zoning allowed. ▪ No cooperatives. ▪ Conversions acceptable – must be fully complete. ▪ No commercial space. (Unless you have a statement from the appraiser that the commercial space does not exceed 20% of the space in the project and the commercial space has no negative effect on marketability.) Case-by-Case. ▪ Projects where single entity owns no more than 10% of the units in the project. ▪ New attached or newly converted project located in Florida is not eligible. ▪ Minimum square feet – 600. All units must have a separate living/dining space, at least one bedroom and a bath room.
QUALIFYING:	LP Accept – No Levels DU – Approve-Eligible – No Levels
MINIMUM DOWN PAYMENT:	80% LTV or less gift funds allowed for total down payment.
SELLER CONTRIBUTIONS:	6% - 90% 9% - 75%
CREDIT REPORTS:	A three bureau merged report will be ordered through automated system.
CLOSING	Title Policy to include Condo endorsement.
UNDERWRITING GUIDELINES:	<ul style="list-style-type: none"> ▪ Any project reflecting a high concentration of investment property will be reviewed on a case-by-case. ▪ Super Conforming Program not applicable. ▪ Appraisal must be within 120 days of Note. ▪ All projects must still comply with the laws created and existing in the jurisdiction where project is located. (Certificate from attorney who created docs is fine – or endorsement from title company to insure over – i.e. ALTA 4 or 4.1). ▪ All unpaid dues when purchasing a foreclosure property must be satisfied. ▪ No one entity can own more than 10% of the units in the project. ▪ Full appraisal is required regardless of AU feedback message. Maximum LTV may be reduced if the property is located in a declining market. ▪ Any condo located in a resort area will be closely reviewed and a copy of the declarations and bylaws must be in file when submitted to underwriting. ▪ Any indication via internet, etc. that indicates property may be a condotel, will be denied. ▪ Crescent Limited Review Questionnaire must be completed & signed by an officer of the HOA. ▪ All loans requiring MI must conform to MI guides, i.e. occupancy, etc.

<p>UNDERWRITING GUIDES (cont'd)</p>	<ul style="list-style-type: none"> ▪ Minimum square feet – 600. All units must have a separate living/dining space, at least one bedroom and a bath room.
<p>INSURANCE REQUIREMENTS:</p>	<ul style="list-style-type: none"> ▪ Liability is required ▪ Fidelity Insurance is required unless units in project consist of 20 units or less.

**PRODUCT SUBJECT TO CHANGE WITH INVESTOR/PMI CHANGES
PROGRAM NOT AVAILABLE FOR DELEGATED UNDERWRITING**

EXHIBIT A (Condotel)

The following list is intended to provide some characteristics used to identify ineligible project types. These include, but are not limited to:

- Voluntary or Mandatory revenue sharing agreements.
- Mandatory rental pool agreements.
- Occupancy restrictions mandated by the zoning.
- Timeshare, live/work or segmented ownership projects.
- Transactions under which the borrower will own more than one unit in the project.
- Multiple units within the project are less than 600 square feet.
- The project name includes “hotel”, “motel”, “inn”, “resort” or “lodge”.
- The project shares facilities with a hotel or motel.
- The project is in an area zoned primarily for transient accommodations.
- The unit is in a building that functions like a traditional condominium, yet the project contains additional resort type amenities or other buildings with resort type amenities.
- The unit is fully furnished.
- The unit does not have a full kitchen.
- The project provides any of the following services:
 - Management desk
 - Bellman
 - Daily maid service
 - Food service
 - Telephone service
 - Centralized utilities, for example: central telephone or cable
 - Centralized key system not in negotiated terms
 - Room Service
 - Units that do not contain full kitchens
 - Restrictions on interior decorating
 - Central key systems
 - Interior doors that adjoin other units
 - Projects that impose black-out dates

CRESCENT MORTGAGE

Limited Review Condominium Project Questionnaire

Borrower: _____ **Date:** _____

Co-Borrower: _____ **Loan #** _____

Project Name _____ **Unit #** _____

Subject Phase # _____ **Project Address** _____

City, State, Zip

This Limited Review Condominium Project Questionnaire may be used when FNMA DU findings authorize a “limited review” on an established project or for LP loans where a limited review is allowed.

Questions 1-11 may be completed by the HOA or the management company; questions 12-14 to be completed by the lender.

1. (a) Does the project contain ANY of the following characteristics? Yes No

- Projects currently involved in litigation or pending litigation.
- Hotel Condominiums (Condominium Hotel): A hotel condominium is any condominium project that is operated as a hotel even though the units are owned individually. Hotel condominiums are typically found in resort areas or in the downtown district of major cities. Condominium projects meeting any one of the following will be classified as a hotel condominium:
 - Physical characteristics indicating that the project has a hotel identity or hotel-like characteristics, or offers hotel-like services include but are not limited to the following:
 - Daily/seasonal or monthly rentals
 - Central telephone systems
 - Room service (food or beverage) is available to the unit owners
 - Units that do not contain full kitchens
 - Daily cleaning
 - Advertising of rental rates
 - Registration service (check-in desk on or off site)
 - Restrictions on interior decorating or furnishings, or the units are sold “fully furnished,” or the purchaser must choose from a list of “approved” furniture, floor and wall coverings for the unit
 - Franchise agreements
 - Central key systems
 - Owner occupancy density – the project may have few or even no owner occupants
 - Projects converted from a hotel or motel
 - Interior doors that adjoin other units
 - Lockable storage closets, cabinets safes or mini-bars
 - The project name includes hotel, resort, motel, inn or lodge; has an affiliation with, and/or is managed by an entity, usually a hotel chain or hospitality entity.
 - The project is located at the same address as a hotel or resort, or within a hotel or resort, or has hotel hospitality identity.
 - The project is publicly advertised as a hotel condominium or resort (e.g., the project advertises on travel or hotel websites, or has a website on the internet and presents itself as a condominium hotel) or websites are available to determine room availability or reservations can be made online.
 - Projects that impose black-out dates or do not have year-round access.
 - The project shares facilities, common elements or amenities with a hotel, resort and/or lodge that is owned and managed by the developer or other third-party entity.
 - The sales contract or offering circular states that ownership may include the opportunity to place the unit in a rental agreement.

Limited Review Condominium Project Questionnaire

- Marketing and project management practices such as:
 - The developer or a third-party entity expects to retain ownership or control of the project.
 - The developer or another third-party entity retains ownership or control of any common elements or amenities.
 - Unit owners have no control over any third-party entity that succeeds the developer.
 - The project includes commercial space over which the unit owners have no control.
- The condominium constituent documents and any amendments are silent on the presence of common elements and/or amenities, their use and/or ownership, or they state that common elements and/or amenities may be added to, expanded, or deleted as determined by the developer or another third-party entity without the consent of the unit owners or the homeowners association.
- Projects with mandatory rental pooling agreements.
- Manufactured housing projects.
- Projects with revenue sharing: If any unit owner or the homeowners' association is a party to a revenue-sharing agreement.
- Timeshare or segmented (fragmented) ownership projects – A real estate development in which a purchaser can buy the exclusive right to occupy a unit for a specified period of time each year. A form of property ownership under which a property is held by a number of people, each with the right of possession for a specified time interval. Timesharing is most commonly applied to resort and vacation properties. Timeshare projects are examples of segmented (fragmented) ownership and fractured interest projects.
- The developer, another third-party entity, or the homeowners' association operates commercial facilities within the project or master association, such as retail stores, restaurants, bar/lounge, and/or a golf course, common areas, recreational facilities and amenities are available within the project or master association that are usually associated with luxury hotels and resorts.
- Assisted Living or Senior Care Facilities that have a minimum age requirement and provide services and provide meal or healthcare services.
- Continuing Care Retirement Community (CCRC) – A CCRC is a residential project designed to meet the health and housing needs of seniors as their needs change over time. CCRCs are distinguished from age-restricted communities in that residents in CCRCs contract in advance for a lifetime commitment from the facility to care for them, regardless of the future health or housing needs. CCRCs may also be known as Life-Care Facilities.
- Houseboat projects: A project comprised of boats that have been designed or modified to be used primarily as dwelling units.
- “Live-work” type condominiums: Usually used for artist’s studio, workshops, factories, or galleries.
- Multi-dwelling unit projects that permit an owner to hold title to more than one dwelling unit under a single deed and are financed by a single mortgage.

1. (b) Does a single entity, individual, or group own more than 10% of the project space? Yes No
1. (c) Do the bylaws, or the HOA allow time-share ownership? Yes No
1. (d) Does the HOA budget include items that suggest hotel-type features, such as housekeeping costs, business income, membership fee income, personnel costs (lifeguard, maid, concierge, front desk, shuttle service, internet service fees, etc.)? Yes No

If you answered “Yes” to any of the above, the project may be ineligible and additional documents may be required.

2. Are all the units, common elements, and facilities within the project 100% complete? Yes No
3. The project is not subject to any additional phasing or add-ons? Yes (not subject to phasing) No
4. Has control of the Homeowners' Association been turned over to the unit owners? Yes No
5. Has at least 90% of the units in the project been sold and closed? Yes No
6. **Association Litigation:** There is no pending litigation. If there is, attach a detailed explanation. The lawsuit must not impact marketability and/or liability policy covers potential loss. The lawsuit must be Credit Policy. Yes (no pending litigation) No
7. The title to the units is held in Fee Simple. Yes No
8. Commercial use in project is less than 20% of project space? Yes No

Limited Review Condominium Project Questionnaire

9. The project is not subject to deed restrictions or inclusionary zoning that limit a foreclosing lender's ability to sell a foreclosed property in any manner. Yes (no deed restrictions) No
10. The Project meets the insurance requirements as indicated below:
- The insurance policy is in the exact name of the condominium Association.
 - Policy is active, Expiration Date: Yes No
 - Policy includes 100% current replacement cost hazard coverage on common structures with a deductible not to exceed 5% of the policy face value.
 - Policy meets the higher of state required liability coverage or \$1million general liability coverage for homeowners' association.
 - Policy includes flood insurance (only if common structures located in flood zone) with a deductible that not greater than \$25,000 of the policy face amount unless state law allows for a higher deductible – Attach an explanation if accepting state mandated higher deductibles.

Condominium project insurance master or blanket policies do NOT contain either of the following:

- A blanket policy that covers multiple unaffiliated condominium associations or projects, or
- A self insurance arrangement whereby the owner's association is self insured or has banded together with other unaffiliated associations to self insure all of the general and limited common elements of the various associations.

Homeowner's Association contact information:

- * Name: _____
- * Title & Organization or Company Name: _____
- * Phone or e-mail: _____

Required Documentation

Evidence of the following Project insurance policies, as applicable

- a. Hazard c. Liability
- b. Flood d. Fidelity Bond (if >20 units)

If the project is located near water, snow, or a resort or recreation area, provide the following additional documentation for review by the underwriter:

- e. Bylaws f. Budget

Note: Individual unit insurance coverage requirements:

Must be a "walls-in" policy, often called a HO-6 policy; coverage amount to be at least 20% of the appraised value.

11. At least 10% of the operating budget provides funding for replacement reserves for capital expenditures and deferred maintenance based on age of project. Yes No
12. There is adequate funding in the budget for insurance deductibles. Yes No
13. Less than 15% of the total number of units are more than 30 or more days delinquent on payment of the Home Owners Association dues. Yes No

HOME OWNERS ASSOCIATION CERTIFICATION

The undersigned hereby certifies that to the best of his/her knowledge and belief that the information and statements contained on this form and any attachments are true and correct. The undersigned further represents that he/she is authorized by the HOA to provide this information on behalf of the HOA.

Signature

Date

Print Name

Print Title

Limited Review Condominium Project Questionnaire

TO BE COMPLETED BY THE LENDER

- 14. Underwriter has completed an internet search on the project name as well as the project address, and has found no indications of property functioning as a Condotel. Question 1(a) Yes No

- 15. If the project is near water, snow or a recreation area, the bylaws do not allow short-term rentals, and the budget shows no hotel-like income or expense items. Question 1(c) and 1(d) Yes No NA

- 16. DU findings include a notation that the subject loan is eligible for Limited Review condominium determination (enter condo type "Q" on the 1008). Yes No

If any of the answers were "No" for questions 2-13, the project is not eligible for the Limited Review.

LENDER CERTIFICATION

(To be completed by Underwriter). The undersigned hereby certifies that to the best of his/her knowledge and belief that the information and statements contained on this form and any attachments are true and correct. The undersigned further represents that he/she is authorized by the Seller to provide this information on behalf of the Lender and is a authorized representative with document signed authority.

Signature	Date
Print Name	Print Title