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Is your condominium project on Freddie Mac's Not Eligible List? - by Dawm Bauman

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Freddie Mac opened access to the list of condominium and housing projects it categorized as “not eligible status.” Condominiums and housing cooperatives may be placed in this category due to potential noncompliance with lending guidelines. Access to the list is restricted to an authorized representative of a condominium association or housing cooperative.

Condominium project eligibility indicates whether mortgages in these projects are eligible for purchase by Freddie Mac. As of 2023, Fannie Mae and Freddie Mac support around 70% of the mortgage market, according to the National Association of Realtors. Evidence shows it is critically important for units within a condominium to have access to mortgages that qualify for purchase by Fannie Mae and Freddie Mac.

Freddie Mac also uses green and yellow status for condominium projects. Green status indicates the condominium project complies with all requirements. Yellow status indicates the project does not comply with one or more of the requirements and the lender should proceed with caution as the mortgage may or may not be purchased by Freddie Mac.

Access to Freddie Mac Eligibility Status

To determine the eligibility status of your condominium building, an authorized representative of a homeowners association board, which could be a board member, community association manager, community association lawyer or other project consultant, must use a form on Freddie Mac’s website to request whether a “note eligible” status has been assigned to a community. If it has, they can initiate an appeal.

The following information will be required to complete the form:

- Project Name: Project’s legal name, not its marketing name.
- Project Address: Street address, city, state, and zip code for the project. If the project has more than one street address, indicate this in the field. For example, you can enter “More than one street address” for the street address, then provide the city, state, and zip
- If the person completing the form is an authorized representative of the HOA, documentation that details the names of all authorized representatives (all board of directors and the project’s property manager) of the HOA.
- If it is an appeal of a not eligible status, documentation supporting evidence of compliance with the applicable project review and/or general eligibility requirement(s).
- Name;

- Title;
- Phone;
- Email address;
- Company name;
- Company address;
- City;
- State;
- Zip code; and
- Date completed.

For more information visit <https://sf.freddiemac.com/>

Role of Fannie Mae and Freddie Mac

According to the U.S. Federal Housing Finance Agency, Fannie Mae and Freddie Mac were created by Congress. They perform a key role in the nation's housing finance system – to provide liquidity, stability, and affordability to the mortgage market. They provide liquidity to the thousands of banks, savings and loans, and mortgage companies that make loans to finance housing.

Fannie Mae and Freddie Mac buy mortgages from lenders and either hold these mortgages in their portfolios or package the loans into mortgage-backed securities that may be sold. Lenders use the cash raised by selling mortgages to Fannie Mae and Freddie Mac to engage in further lending.

Fannie Mae and Freddie Mac maintain slightly separate requirements and lists. Fannie Mae indicated it will provide access to its list in the third quarter of 2024.

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