

Section 1 - Sample Provision Excerpt (Public Preview)

CONDOMINIUM ASSOCIATION APPROVAL: The Association's approval of Buyer (CHECK ONE): * is X is not required. If approval is required, this Contract is contingent upon Buyer being approved by the Association no later than _ Closing.

ISSUE #1



MARKUP #1 ->



MARKUP #1 · MORTGAGE WARRANTABILITY & RESERVE RISK

BOARD & COUNSEL REVIEW

Sec. 1 (p. 1): Right of First Refusal (ROFR) clause lacks mandatory exemptions for foreclosure, deeds in lieu of foreclosure, and FHA/GSE-insured mortgages.

Statutory / Legal Reference: Fannie Mae Selling Guide B4-2.1-03; Freddie Mac Guide Ch. 5701; 24 C.F.R. §§ 203.41, 203.43b (HUD/FHA); 38 C.F.R. § 36.4354 (VA)

Statutory Comparison: Under federal HUD/FHA regulations (24 C.F.R. §§ 203.41, 203.43b), VA regulations (38 C.F.R. § 36.4354), and Fannie Mae / Freddie Mac project eligibility standards, any Right of First Refusal in the governing documents renders the entire community non-warrantable for federal and conventional secondary-market mortgages unless it expressly exempts foreclosures, deeds-in-lieu of foreclosure, and...

CURRENT WORDING IN DOCUMENT:

CONDOMINIUM ASSOCIATION APPROVAL: The Association's approval of Buyer (CHECK ONE): * is X is not required. If approval is required, this Contract is contingent upon Buyer being approved by the Association no later than _ Closing.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

CONDOMINIUM ASSOCIATION APPROVAL: The Association's approval of Buyer (CHECK ONE): * is X is not required. If approval is required, this Contract is contingent upon Buyer being approved by the Association no later than _ Closing. Within (if left blank, then 5) days after Effective Date Seller shall initiate the approval process with the Association and Buyer shall apply for such approval.