

Section CONDOMINIUM PURCHASE APPLICATION - Sample Provision Excerpt (Public Preview)

Attn: Victoria Balbuena, Resale/Lease Department Please do not staple application or any parts of the submission. Rubber bands and/or clips are acceptable. Only single sided copies are acceptable. Applications must be submitted in English.

ISSUE #1



MARKUP #1 ->



MARKUP #1 · MORTGAGE WARRANTABILITY & RESERVE RISK

BOARD & COUNSEL REVIEW

Sec. CONDOMINIUM PURCHASE APPLICATION (p. 2): 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. § 203.43b (FHA / Agency Lending Guidelines)

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:

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SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

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[MANDATORY GSE & FHA WARRANTABILITY EXEMPTION]: Any Right of First Refusal reserved herein shall not apply to or impair the rights of any institutional First...