

Section IX - Sample Provision Excerpt (Public Preview)

Sale, Transfer, Conveyance or Lease.
No--...Own-ec_...
may-- dispose ·of a ··Lot·-or· any· fnterest ·there in· by· -sale, vol u·n*t·a-ry:J
transfer, conveyance or lease without first giving to the Boar&
A-19
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ISSUE #1

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of Directors of the Association an opportunity to purchase or
lease such Lot at the same price or rental and on the same terms
as were offered...

MARKUP #1 ->



MARKUP #1 · MORTGAGE WARRANTABILITY & RESERVE RISK

BOARD & COUNSEL REVIEW

Sec. IX (p. 19): 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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