



# NEW FANNIE MAE MORTGAGE AVAILABILITY TOOL



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We are happy to report that Fannie Mae has created a new online tool to help associations become aware of their “Fannie Mae” eligibility status. Being “Fannie Mae Qualified” is important, as it allows individual consumers to get the most attractive mortgage terms (rates). Lenders like to sell mortgages in the association to Fannie Mae, enhancing their liquidity (having more cash on hand to lend), and thus enhancing their ability to make more mortgages available to other consumers. Providing a way for lenders to increase their liquidity by selling off their mortgages is good for our country and the reason why Fannie Mae and Freddie Mac exist. Mortgages in associations not Fannie Mae approved for one reason or another will not qualify for sale to Fannie Mae, and are thus burdensome to the lender. In those cases, the consumer will be offered less attractive mortgage terms, which makes purchasing the home more expensive, driving down home values.

It is understandable that Fannie Mae (and Freddie Mac) have minimum physical and financial standards for Condo and Co-Op associations to appear on their “approved” list. For instance, a minimum Reserve Funding rate of 10% of total budget is one of their criteria. Both organizations justifiably increased their scrutiny over which associations were and were not “approved” for mortgage purchases after the tragic collapse of Champlain Towers South in 2021. This led to an increase in the number of associations not approved, confusion among managers and board members regarding if their association was approved, and if not, why.

Previously, some associations were unaware that their association had moved to the “unapproved” list. With this new Fannie Mae tool, managers and board members can go online to check on the approved/unapproved status of their association at any time – and do something about it as necessary. See [here](#) for Fannie Mae’s overview.

## **Condo/Co-op Status Lookup for HOAs now available from Fannie Mae**

Fannie Mae has released this new lookup tool (go there directly by clicking [here](#)) to provide Condo and Co-Op managers and board members the ability to check if Fannie Mae is aware of

any condition at the project that does not meet one or more of their published [Selling Guide \(B4-2\)](#) requirements. This new online tool exclusively for Condo and Co-Op associations creates transparency into the association's Fannie Mae approval status by explaining why the association may not meet their published requirements.

Associations are uniquely positioned to remedy any identified conditions and are encouraged to work with the mortgage lenders currently working with individual buyers so that their lenders can submit clarifying documentation to Fannie Mae. Once received, Fannie Mae reviews the information to determine if an update to the project status is appropriate. If the association remains on the unapproved list, Boards and Managers can encourage their homeowners and potential buyers to work with lenders to explore other financing options.

Condo and co-op managers and board members can access the free tool by registering on the site and searching for their community by providing appropriate identifying information (name, address, tax id#...). Homeowners and potential buyers may also ask the manager or a board member to look up the association to learn the status in advance of any upcoming sale, purchase, or mortgage event.

Bottom line – no more “blacklist” of unapproved associations, and no more “black hole” of clarity on the matter. With this new online tool, Fannie Mae has made appropriate adjustments to enhance the efficiency of their Condo/Co-Op lending process and created a transparent environment that benefits all participants and drives sustainable homeownership.