

PROJECT ANALYSIS  CONDO OR  PUD - ADDENDUM A TO FHLMC FORM 465 9/80

**INSTRUCTIONS**

The following outlines the appraisal documentation required on each Condominium or PUD Unit loan submitted to FHLMC. The Individual Unit Appraisal Report and Project Analysis must be signed by an appraiser approved by the Seller/Service submitting the loan to FHLMC. It is preferred, but not required, that each of these forms be signed by the same appraiser. FHLMC does not require the cost approach in the appraisal of an individual condominium or PUD unit; however, if the lender or appraiser desires, the Cost Approach Section may be completed.

**APPRAISAL REPORT INDIVIDUAL CONDOMINIUM OR PUD UNIT**

(FHLMC Form 465/FNMA Form 1073)

This must be submitted with each individual loan and the date of the estimate of Market Value must be within ninety (90) days of the date of closing of the mortgage.

**PROJECT ANALYSIS**

(FHLMC Form 465 ADDENDUM A)

**PART I:** This must be submitted if less than 70% of the individual units in the project or section/phase have been sold. To establish this 70% requirement, a sale under an option to purchase contract cannot be counted, and multiple sales to one owner must be counted as one sale. A section/phase is one established by the Condo/PUD documents and is of sufficient size to contain an adequate number of units to support any common elements or recreational facilities, which are included in the sale price or appraised value of an individual unit. Subject section/phase may be combined with other completed, sold and occupied section(s)/phase(s) to meet this requirement, provided all are under a common Owners Association.

**PART II:** This must be submitted if the project is in the process of conversion or the conversion process has been completed less than two years.

**ANALYSIS OF ANNUAL INCOME & EXPENSES-OPERATING BUDGET**

(FHLMC Form 465 ADDENDUM B/FNMA Form 1073A, Page 1)

This must be submitted ONLY if the project or section/phase has not been operated and managed by the Owners Association for at least two years. The upper portion is to be completed in detail by the Developer, Owner Association or Management Agent. The completion of the lower portion is the responsibility of the Seller/Service. It can be prepared by a staff member of the Seller/Service, a property manager or an approved appraiser, provided the person who signs is qualified, in the opinion of the Seller/Service, to make the required analysis.

To facilitate the submission, the Seller/Service may submit a clearly reproduced signed copy of Addendum A and/or Addendum B, if required, provided each is dated within 12 months of the date of the estimate of Market Value of the Individual Unit. If reproduced copies of the Addendum A and/or Addendum B are furnished the Appraiser, and submitted to FHLMC, the Appraiser who signs the Individual Condominium or PUD Unit Appraisal Report should note in the following Comments Section any significant changes or variances which are observed when making the inspection.

**COMMENTS SECTION**

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Date \_\_\_\_\_ 19\_\_\_\_ Signature(s) \_\_\_\_\_

**PROJECT ANALYSIS**

Part I must be completed if less than 70% of the individual units in the project or section/phase have been sold. To establish this 70% requirement, a sale under an option to purchase contract cannot be counted, and multiple sales to one owner must be counted as one sale. Part II must be completed if the project is in the process of conversion or the conversion process has been completed less than two years.

Project Name \_\_\_\_\_ Phase No. \_\_\_\_\_  
 Address or Location \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

If the project is not completed, discuss the proposed overall development or conversion plan and stage of completion including the number of sections, units and recreational facilities per section and the estimated completion date of each section.

Describe the common elements and recreational facilities, and comment on their adequacy, quality and condition. \_\_\_\_\_

Are the recreational facilities available for use by individuals other than unit owners and guests? If yes, comment as to effect on marketability.

Describe and comment on the adequacy of the following:

Storage space \_\_\_\_\_

Laundry facilities \_\_\_\_\_

Trash removal \_\_\_\_\_

Parking facilities \_\_\_\_\_

Soundproofing material \_\_\_\_\_

PART I

