

Project Eligibility Review Service (PERS) Overview

Fannie Mae's Project Eligibility Review Service (PERS) allows lenders to submit new and established project information for a Fannie Mae eligibility review. The following projects must be submitted through the Standard PERS submission process:

- New and newly converted condo projects consisting of five or more attached units located in Florida.
- Newly converted, non-gut rehabilitation condo and co-op projects that contain five or more attached units.
- All co-op and new condo projects consisting of manufactured homes (except for planned unit development [PUD] projects that contain only multi-width manufactured homes).
- All manufactured home condos, PUDs, or co-op projects that are subject to a community land trust, deed restrictions, leasehold estate or shared equity arrangement.
- PUD and condo projects that include single-width manufactured home units. (Projects consisting solely of multi-width units do not require PERS submission.)
- Projects that use construction or marketing phases.
- In some cases, condo projects identified as "ineligible," as described in Section [B4-2.1-03](#) of the *Selling Guide*.

For all established condo projects, lenders may use the Streamlined PERS submission process. To determine whether a condo project meets the definition of a new or established project refer to *Selling Guide*, Section [B4-2.1-01](#), *General Information on Project Standards*.

Advantages of a PERS Submission

- Projects may be eligible for additional approval flexibility on some requirements, including, but not limited to, marketing or construction phasing.
- Fannie Mae's project approval process is accepted by many institutional investors.
- Any lender that sells loans to Fannie Mae can accept a PERS approval.
- Once a Conditional or Final Project Approval is completed through the PERS process, all projects are listed in [Condo Project Manager™ \(CPM™\)](#). Approvals are not lender-specific and may be leveraged by any approved seller/servicer. Normal PERS fees will apply as outlined on pages 2-3.
- The documentation required differs for the Standard PERS process and the Streamlined PERS process, but both require that all forms and exhibits be submitted electronically. Each separate and labeled PDF, Word, or Excel file should be attached to an email and sent to the PERS_project@fanniemae.com. Lenders may send multiple emails to accommodate large files or use compression tools, such as .zip files.

Standard PERS Submission Process

The lender:

- Performs a review to determine if the project satisfies the *Selling Guide* eligibility requirements.
- Completes a project submission package using the forms listed below.
- Submits the forms and supporting documentation to PERS_projects@fanniemae.com.



The [forms](#) and the supporting exhibits outlined in the *PERS Document Checklist (Form 1030)* provide Fannie Mae with the necessary information to determine the acceptability of the condo, co-op, or PUD project:

- [Form 1030, PERS Document Checklist](#) – Includes a list of the Fannie Mae forms mentioned below and other required documents.
- [Form 1026, Application for Project Approval](#) – Provides detailed information on the project, developer(s), and marketing and management companies. The Lenders Summary and Recommendation section on page 3 must be completed.
- [Form 1029, Warranty of Project Presales](#) – Provides detailed information on units sold and occupancy information on the transactions.
- [Form 1054, Warranty of Condominium Project Legal Documents](#) – Provides opinion on the conformity of the legal documents to Fannie Mae guidelines.
- [Form 1051, Project Development / Master Association Plan](#) – Provides information on the community if it is a part of a Master Association.
- [Form 1071, Statement of Insurance and Fidelity Coverage](#) – Provides information on insurance policies and coverages.
- [Form 1081, Final Certification of Substantial Project Completion](#) – Provides status of construction: construction of the project, legal phase, or construction phase (must be substantially complete to obtain Fannie Mae approval).
- [Form 1078, Project Eligibility Review Service Documents Checklist – Co-op Projects](#) – Provides information specific to co-ops.
- [Form 1079, Limited or Shared Equity Co-op Worksheet](#) – Provides information on whether the project is a Limited or Shared Equity Co-op project. These are projects in which the co-op corporation places a limit on the amount of return a shareholder can receive when stock or shares are sold.

NOTE: *Fannie Mae does not review the insurance policies and relies on the lender’s thorough review of those documents to determine eligibility.*

To ensure an efficient and thorough review of conditional approval documents, please submit your updated package when documentation for all requested conditions is met. Documentation should be sent to PERS_Projects@fanniemae.com with each document as a separate attachment (as opposed to one large PDF file). Each document should also be labeled and numbered, as listed on the Conditional Project Approval, so we can check them in and record their receipt as quickly as possible.

NOTE: *Incomplete submission packages will delay the decision.*

PERS Fees: Standard PERS Submission Process

The lender will be invoiced the applicable PERS fee, as shown below.

Request for initial submission of optional and mandatory reviews:

- \$1,500 base fee for single-phase project
- \$2,500 base fee for multiple legal phase project
- \$1,000 additional one-time fee for marketing or construction phase approval

There are no fees associated with



- Extensions, or subsequent phases of, a Conditional or Final Project Approval
- Projects that include commercial or non-residential use greater than 35%
- Per unit counts

The applicable project review fee may be assessed regardless of the final decision.

NOTE: *We will charge a base fee if a Standard PERS project expires and there are no active phases on record 30 days after the final phase expires.*

Streamlined PERS Submission Process

- The lender:
- Performs a review to determine if the project satisfies the *Selling Guide* eligibility requirements.
- Completes a project submission package using the forms listed below.
- Submits the forms and supporting documentation to PERS_projects@fanniemae.com.
- Supporting documentation includes the following:
 - **Form 1091, Application for Approval of Established Project** – Describes any characteristic or feature of the project that does not comply with Fannie Mae requirements and provides a rationale for project approval, including any offsetting factors.
 - **Form 1076, The Condominium Project Questionnaire** – Requires Full Review completed within the past 180 days. We will accept an HOA form that is substantially similar.
- An appraisal report for a representative unit in the project. This report must be prepared within 120 days of the PERS application and include photographs of the project, private streets, recreational amenities, parking, commercial space, and common areas.
- Current fiscal year’s approved operating budget that reflects homeowners’ association income and expenses.
- Reserve study completed within the past 24 months (required for projects that are not funding a minimum of a 10% dedicated expense allocation in the budget to a replacement reserve for the future repair/replacement of the project’s major components).
- A list of all building unit addresses for the project.
- Once the project has been submitted to Fannie Mae, the reviewer may request additional information and/or documentation to complete the review of the project.

NOTE: *Incomplete submission packages will delay the decision.*

PERS Fees: Streamlined PERS Submission Process

Effective May 1, 2017, the lender will be invoiced the applicable PERS fee, as shown below:

- For the initial PERS submission for an established condo project, the fee is \$500.
- For an extension of a Conditional or Final Project Approval, the fee is \$500.

The applicable project review fee may be assessed regardless of the final decision.



Approval Designations

Upon review completion of a Standard or a Streamlined PERS submission, Fannie Mae will notify the lender via email with one of the following designations: Conditional Project Approval, Final Project Approval, Denial or Suspension of the Application.

- Conditional Project Approvals expire after nine months. Lenders may not deliver loans to Fannie Mae in projects with Conditional Project Approval. If the project is eligible for a lender-delegated Full Review, non-submitting lenders may choose to review the project themselves.
- Final Project Approvals expire after 18 months. Any approved seller/servicer may deliver loans to Fannie Mae in projects with a Final Project Approval.

NOTE: *In certain cases, Fannie Mae may set a shorter or longer approval period if circumstances indicate that a different period would be more appropriate.*

Before officially declining the approval of a project, Fannie Mae's Project Review Team will contact the lender to discuss its concerns with the specific project characteristics that prevented its approval. Lenders will have an opportunity to provide additional information to address concerns and potentially obtain project approval.

Requests for Additional Phase or Extension of a Conditional or Final Project Approval

The lender is encouraged to submit a request for an extension to the Project Review Team via email to PERS_projects@fanniemae.com at least 30 days prior to the current approval expiration date.

- If the original submission was completed using the Standard PERS process, the lender must submit:
 - 1. Updated [Form 1026](#) (for phase being added).
 - 2. Updated Forms [1029](#), [1054](#), [1071](#), and [1081](#).
 - 3. Annexation document.
 - 4. Public Offering Statement or Final Public Report.
 - 5. Updated appraisal (if original is more than 120 days old).
 - 6. Updated budget (if different year or build-out).
 - 7. Street address list for all units in the project.
 - 8. Maps (if updated).
- If the original submission process was completed using the Streamlined PERS process, the lender must submit all the documentation required for a Streamlined PERS submission.

Additional project-specific documentation may be required by Fannie Mae to address material changes that may have occurred in the project's financial, legal, or operational structure since it was originally approved.

Resources

- Listings of Fannie Mae-approved condo, co-op, and PUD projects are available in CPM.
- For more information about PERS, refer to the [Project Standards FAQs](#) and the [Fannie Mae Selling Guide](#) (see Chapter B4-2, Project Standards), or contact the Fannie Mae Project Review Team via PERS_projects@fanniemae.com.



- Interactive PDF versions of Fannie Mae PERS Forms can be downloaded from the [Forms page](#), completed, and saved by the lender.
- For step-by-step guidance on submitting a PERS package, view the [PERS Getting Started Guide](#).
- To access invoice and billing information, please register for electronic billing on [Fannie Mae Connect™](#).