

Condo Project Eligibility in Desktop Underwriter

Frequently Asked Questions

Condo Project Manager™ (CPM™) is integrated with Desktop Underwriter® (DU®) to increase certainty and transparency into project eligibility. By automatically matching a condo loan casefile in DU to a project in the CPM database, the need for lenders to manually use CPM is reduced. CPM specific messaging will display on the DU Underwriting Findings report (hereinafter referred to as DU Findings report) including Fannie Mae and lender specific statuses and project-level delivery restrictions. In certain scenarios, the project eligibility status will impact loan eligibility in DU. This document provides responses to common questions related to condo project eligibility in DU.

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General

Q1. How does DU match a project to CPM? Is it based on the project or the address?

When determining the project in which the property is located, the combination of the subject property address and project's legal name input into DU is compared to project information in CPM (the property address alone is not sufficient to provide a match). The project's full legal name, along with the address, will produce the best results for a potential match.

NOTE: When CPM returns a match in the correct project, a good practice to ensure the project match is retained is to enter the CPM ID returned in the DU messaging into the Condo Project Manager ID field when resubmitting the casefile to DU (if applicable).

Q2. Will DU return CPM statuses on phases within projects?

Phase statuses from CPM are not in DU. DU provides eligibility statuses, lender statuses, and delivery restrictions on projects, not phases within projects.

NOTE: DU submissions must include a 6-digit CPM ID or the project legal name and property address to apply eligibility statuses, lender statuses, and delivery restrictions in DU. Entering a 9-digit CPM Phase ID in the Condo Project Manager ID field in DU may result in a match to a project in CPM (not the phase). When the project is matched, the lender is still responsible for review of the legal phase outside of DU.



Q3. The loan is on a unit in a project with an Approved by Fannie Mae status on a phase in CPM. Will the Approved by Fannie Mae message be returned in DU on that Phase?

No. DU will only display an Approved by Fannie Mae message when the project in CPM is approved, not the phase. The 9-digit CPM Phase ID should not be entered into the Condo Project Manager ID field in DU. Entering the 6-digit CPM ID will display the project eligibility and delivery restrictions, not phases within the project.

NOTE: *New projects in Florida will return a delivery restriction message indicating PERS is required. If the subject unit is in a phase with a valid Approved by Fannie Mae status in CPM, then the loan is in compliance with the message. Refer to Q8 for additional information.*

Q4. When the DU Approve by Fannie Mae message is returned, the CPM ID is included in the message. Should the casefile be resubmitted to DU with the CPM ID entered in the previously blank Condo Project Manager ID field?

The lender is not required to update DU with the CPM ID added to the Condo Project Manager ID field in DU. If the casefile is resubmitted in DU, it is a best practice to enter the CPM ID that was returned in the approval message. Updating DU with a different CPM ID, project name and/or address (state and zip) than what was returned in the Approved by Fannie Mae message could impact the approval as the system will consider it a different project.

NOTE: *The street address can change but must be a valid address within the project. If the street address is not a valid address, it could result in the loss of the Approved by Fannie Mae message in DU.*

Q5. What are the requirements when the lender is performing a Limited Review or Waiver of Project Review and the DU message states that the project could not be matched in CPM?

If the lender is performing a Limited Review or Waiver of Project Review, the project may not be in CPM, and the lender is not required to request the project be added to CPM. However, per the *Selling Guide*, B4-2.1-03, Ineligible Projects, , the project must not have the Unavailable status in CPM. Limited Reviews must also comply with any delivery restriction in CPM.

Refer to [Project Standards FAQs](#) Q57 for information related to delivery restrictions on the Waiver of Project Review.

Q6. Will CPM project status messages pull into Desktop Originator® (DO®) Findings report?

DO users will receive CPM project statuses and delivery restriction messaging in DU which can also impact loan eligibility. However, specific lender certifications will not pull into the DO Findings report so a correspondent (with access to CPM that has certified the project) will not receive the CPM certification message. Instead, generic messaging will return guidance related to the certification requirements. The sponsoring lender must be provided with a copy of the valid certification or the sponsoring lender must certify the project (when the correspondent or broker does not have access to CPM).

Approved by Fannie Mae Message Received

Q7. Are loans that receive the Approved by Fannie Mae message in DU still required to be delivered within 120 days of the note date?

Yes, there are no changes to the requirements for delivery requirements as outlined in [B4-2.1-01, General Information on Project Standards](#). Once the loan is closed, it must be delivered within 120 days following the note date.



Q8. DU returned a message that the project is approved by Fannie Mae but also returned a delivery restriction that states the project must have an Approved by Fannie Mae status in CPM. What does this mean and what action is required?

When a loan receives the Approved by Fannie Mae message through DU, the loan can be delivered without complying with this delivery restriction. If there are any changes to the credit report, CPM ID, project name, or property address, that result in the loss of the Approved by Fannie Mae message, then the loan will need to comply with the delivery restriction.

NOTE: *For loans that do not receive the Approved by Fannie Mae message in DU or are not processed through DU, the project must have a valid Approved by Fannie Mae status as of the note date when it has this delivery restriction.*

Q9. When a loan receives the Approved by Fannie Mae message in DU, what are the requirements when a lender is made aware of an issue that may impact the project eligibility? Will the Fannie Mae approval remain for that loan?

As outlined in [Selling Guide, B4-2.2-02, Full Review Process](#), lenders must notify Fannie Mae if they discover an issue that may impact project eligibility on a Fannie Mae approved project. The lender may deliver the loan in process (within 120 days of the note date), when the loan receives the Approved by Fannie Mae message, even if the project has been updated to the Unavailable status prior to or after the note date. As per our current property eligibility requirements outlined in [B2-3-01, General Property Eligibility](#), the mortgaged premises must be safe, sound, and structurally secure.

For example, if the project was updated to the Unavailable status due to deferred maintenance related to balcony repairs, the subject loan could be delivered if the lender confirms the balcony repairs for the subject unit have been fully remediated prior to loan delivery.

Lenders must comply with delivery restrictions applied to the project prior to the note date. For example, a delivery restriction is added to a project that restricts units in a building that have been damaged by fire. If the loan is on a unit located in the building impacted by the fire, the loan would not be eligible for delivery until the fire damage is remediated and the delivery restriction removed.

NOTE: *All loans must continue to adhere to the property requirements outlined in [B2-3-01, General Property Eligibility](#), and property insurance requirements outlined in [B7-3-03, Master Property Insurance Requirements for Project Developments](#), and [B7-4 Liability and Fidelity/Crime Insurance Requirements for Project Developments](#).*

Q10. When the lender receives the Approved by Fannie Mae message in DU, but Fannie Mae has updated the project to the Unavailable status in CPM prior to the note date, will it impact the approval message in DU?

The Approved by Fannie Mae message will remain provided there are no changes to the credit report, CPM ID, or material changes to the project name or property address. The lender is not required to review CPM to verify the project retains the eligibility status prior to the note date. Insurance is excluded from this flexibility as review for adequate insurance is required for all review types.

NOTE: *All loans must continue to adhere to the property requirements outlined in [B2-3-01, General Property Eligibility](#) and property insurance requirements outlined in [B7-3-03, Master Property Insurance Requirements for Project Developments](#), and [B7-4 Liability and Fidelity/Crime Insurance Requirements for Project Developments](#).*



Q11. If the loan did not receive the Approved by Fannie Mae message in DU, and the project subsequently obtains a Fannie Mae approval in CPM, can the lender deliver with the Fannie Mae approval without resubmitting to DU?

Yes, the lender can deliver the loan under the Fannie Mae approval without resubmitting the loan to DU, however, the project will need to retain the approval as of the note date as outlined in [B4-2.1-01, General Information on Project Standards](#). To take advantage of the flexibility to allow the approval to extend through the DU credit report expiration date, the casefile would need to be resubmitted in DU to pull in the Approved by Fannie Mae message onto the DU Findings report.

Delivery Restrictions

Q12. Is compliance with delivery restrictions required when the Approved by Fannie Mae message is received?

Yes, delivery restrictions are separate from the Approved by Fannie Mae message in DU and the loan must be in compliance with applicable delivery restrictions. Resubmissions to DU (with or without changes to the credit report) will also pull in any applicable delivery restrictions and could impact the eligibility of the loan in DU.

NOTE: *Delivery restrictions apply to Limited Reviews and Full Reviews and must be complied with even when not using DU.*

Unavailable Status

Q13. If the project is Unavailable in CPM, will it impact the eligibility in DU and result in an Ineligible recommendation?

Yes, when the Unavailable message is returned in DU, it will impact the loan eligibility resulting in an Ineligible recommendation. The message will include the reason(s) the project is Unavailable in CPM, enabling lenders to decide whether further investigation is needed to determine if the Unavailable status warrants additional review and potential removal.

NOTE: *Every resubmission to DU in which the Approved by Fannie Mae message has not been received will import the most recent CPM project status which could impact eligibility. Refer to Q10 for information on when the loan receives the Approved by Fannie Mae message in DU and the project is Unavailable in CPM.*

Q14. When a loan is submitted to DU and receives the Unavailable status, but the status is subsequently removed in CPM prior to the loan closing, does the casefile in DU need to be resubmitted to reflect the new CPM status?

Yes. When CPM returns the Unavailable message in DU, it will impact the loan eligibility resulting in an Ineligible recommendation. If the Unavailable status has been removed in CPM, then the casefile in DU will need to be resubmitted and result in an Approve/Eligible recommendation in order for the loan to be eligible for delivery.

NOTE: *CPM status updates are effective immediately. The lender may resubmit the casefile to DU directly after the project status is updated in CPM to import the new status.*



Q15. Section B4-2.1-03, Ineligible Projects of the *Selling Guide* includes a note that states: ‘Loans secured by units in projects with a status of "Unavailable" in Condo Project Manager (CPM) or on the DU Underwriting Findings report are ineligible for purchase by Fannie Mae’. Does this apply to loans that receive the CPM Approved by Fannie Mae message in DU?

As outlined in [B4-2.2-02, Full Review Process, CPM Approved by Fannie Mae Message in DU](#), if the loan retains the Approved by Fannie Mae message in DU, the loan can be delivered even if the status has changed to Unavailable in CPM. This only applies to loans that receive the Approved by Fannie Mae message in DU. All other loans must comply with the requirement that the project cannot be in the Unavailable status in CPM as of the note date.

NOTE: All loans must continue to adhere to the property requirements outlined in [B2-3-01, General Property Eligibility](#) and property insurance requirements outlined in [B7-3-03, Master Property Insurance Requirements for Project Developments](#), and [B7-4 Liability and Fidelity/Crime Insurance Requirements for Project Developments](#).

Q16. What happens if a project has received the Approved by Fannie Mae message in DU, but is updated to the Unavailable status in CPM due to an insurance deficiency prior to the note date?

The DU Findings report may retain the Approved by Fannie Mae message, however, the loan is not eligible for delivery as insurance is excluded from the flexibility. All loans must continue to adhere to the property requirements outlined in [B2-3-01, General Property Eligibility](#) and property insurance requirements outlined in [B7-3-03, Master Property Insurance Requirements for Project Developments](#), and [B7-4 Liability and Fidelity/Crime Insurance Requirements for Project Developments](#).

NOTE: Changes to the credit report, CPM ID, project’s legal name, or property address (state/zip) will result in DU importing the updated status from CPM, which may result in an Ineligible recommendation.

Lender Certification

Q17. What if the lender certification expires before the DU credit expiration (must close by date on the DU Findings report). Is the lender required to recertify the project and resubmit the casefile to DU to pull in the updated lender certification information?

Lender certifications are valid for 12 months for established projects and 6 months for new projects and must be unexpired as of the note date as outlined in [B4-2.1-01, General Information on Project Standards](#). If the certification has expired prior to the note date, the lender will need to recertify the project in CPM. Although not required, the lender may choose to resubmit the casefile to DU to update the CPM status on the DU Findings report. A copy of the updated CPM certification can be retained in the file as evidence the project was certified or recertified.

Q18. Under the lender delegated review process, what happens if, in CPM the project is updated to the Unavailable status or a delivery restriction is added prior to the note date, but the last DU submission does not reflect the updated information?

Lenders are still responsible for ensuring the project is not in the Unavailable status in CPM as of the note date and must also adhere to any delivery restrictions added prior to the note date.



Impacts to Eligibility

Q19. What are some scenarios in which the condo status could change in DU, including the loss of the Fannie Mae Approval message?

When the DU Findings return the CPM Approved by Fannie Mae message, any changes to the credit report, the CPM ID, project name, or property address (state/zip code), will result in updated information from CPM in which the current project status will apply. If the project is still in the Approved by Fannie Mae status in CPM, then the approval message will remain. If the project status in CPM has changed, then the current status will apply and the approval may be lost.

If the DU Findings do not return the Approved by Fannie Mae message, then any resubmission to DU will result in updated information from CPM in which the current project status in CPM will apply.

DU will apply any delivery restriction for the project in CPM with the initial DU submission and every resubmission even if the loan has received the Approved by Fannie Mae message. Any new delivery restriction may impact the loan eligibility in DU.

Q20. What happens when a casefile is resubmitted to DU after loan closing for corrections during the QC process?

In some cases, resubmission after loan closing could result in an Ineligible recommendation if a delivery restriction was added after the note date that impacts loan eligibility, or when the project status changes to the Unavailable status after the note date (unless the loan has received the Approved by Fannie Mae status and the credit report has not expired or changed). If the loan/project was eligible as of the note date, delivery with the Approve/Ineligible recommendation for these scenarios is allowed.. The DU Findings report will need to reflect that the Ineligible recommendation is only due to a project eligibility issue in CPM. In those scenarios, a Single Loan Waiver (SLW) will be required in order to deliver the loan. Please contact your Fannie Mae Customer Account Manager for more information.

Additional Resources

- Visit the [Condo, Co-op, and PUD Eligibility webpage](#) for additional resources related to project review.
- Visit the [Condo Project Manager page](#) for CPM resources.
- [Loan Delivery Job Aids: Project Review](#)
- [Desktop Underwriter/Desktop Originator Release Notes 3.19.25](#)
- [Selling Guide Announcement \(SEL-2025-02\)](#)