HOMEOWNER'S ASSOCIATION QUESTIONNAIRE FULL REVIEW

PENNYMAC CORRESPONDENT

Loan Number:	Borrower Name:
Subject Property Address:	

I: Basic Project Information

1	Project Legal Name			
2	Legal unit number, building number, phase number for subject unit			
3	Physical Project Address (not subject property)			
4	HOA Management Address			
5	HOA Name *(if different from Project Legal Name)*			
6	HOA Tax ID #			
7	HOA Management Company Tax ID #			
8	Is there a master association? If yes, provide the name	Name:	☐ Yes	☐ No

II: Project Characteristics

1	**Does the project contain any of the following?**		
a	Hotel/motel/resort activities, mandatory or voluntary rental- pooling arrangements, other restrictions on the unit owner's ability to occupy the unit, franchise agreements, and/or leases with a third party with for access to recreational facilities	☐ Yes	☐ No
b	Rental desks, short term occupancy (up to 7 days), daily cleaning services, central key system, or interior doors that adjoin different units	☐ Yes	☐ No
c	Are any of the project's facilities, amenities, common elements, or limited common elements owned by an entity other than the HOA?	☐ Yes	☐ No
d	Common interest apartments, tenancy in common, community apartment projects, or fractional or segmented ownership?	☐ Yes	☐ No
e	Manufactured homes	☐ Yes	☐ No
f	Single-wide manufactured homes in project	☐ Yes	☐ No
g	Are residential unit owners required to pay mandatory upfront and/or periodic membership, or recreational lease for the use of amenities (such as country club facilities, golf courses, etc.), that are NOT owned by the HOA or master association and instead are owned by an outside party (including the developer or builder)?	☐ Yes	☐ No
h	Non-incidental income from business operations? If yes, what percentage of its budgeted income does the HOA receive? (It may not exceed more than 10% of its budgeted income)	%	
i	Is the project, in whole or in part, operated or owned as a continuing care facility which provides medical and/or supportive services to unit owners?	☐ Yes	☐ No
j	Subject to split ownership arrangements, or arrangements that curtail an individual borrower's ability to utilize the property such as mandatory rental pooling agreements, common interest apartments or community apartment	☐ Yes	☐ No
k	Non-real estate items such as houseboats, timeshares, or other forms of property that are not real estate such as boat slips, cabanas, etc.?	☐ Yes	☐ No
l	Do any single units have multiple living spaces? (e.g., separate entrances, multiple kitchens, acts as multi-unit, etc.)	☐ Yes	☐ No
m	A multi-dwelling unit project that permits an owner to hold title to more than one unit with ownership evidenced by a single deed and financed by a single mortgage	☐ Yes	☐ No
n	Are the units separately metered for utilities?	☐ Yes	☐ No
	If no, is this common for the area and does the budget provide adequate funding for utility payments?	☐ Yes	☐ No
o	How is title held to the units, fee simple or leasehold? *(If leasehold, provide copy of lease.)*		
p	Is the project a "live-work" project? (Projects that permit individual residential unit owners to operate and run a small business from their residential unit)	☐ Yes	☐ No
q	Is the project is zoned legal non-conforming? **If yes,** do zoning regulations allow rebuilding the improvements to current density in the event of their partial or full destruction?	☐ Yes	☐ No

r	Is the project located on contiguous parcels of land and are the structures within the project located a reasonable distance from each other?	☐ Yes	☐ No
s	Common interest apartments, tenancy in common, community apartment projects, or fractional or segmented ownership?	☐ Yes	☐ No
t	Are units in the project subject to Right of First Refusal or subject to deed or resale restrictions?	☐ Yes	☐ No
u	Is the project a cooperative?	☐ Yes	☐ No
v	Are any units or any part of the building used for non-residential, mixed-use, or commercial space? If yes, complete the following table:	☐ Yes	☐ No

Type of Commercial or Non-Residential Use	Name of Owner or Tenant	Number of Units	Square Footage (SQFT)	% SQFT of Total Project SQFT
				%
				%
				%
				%

What is the total square footage of commercial space in the building that is separate from the residential HOA? Include above and below grade space used for commercial purposes, such as public parking facilities, retail space, apartments, commercial offices, and so on	**Total square footage of commercial space:** ______________________

Provide Additional Detail here, if applicable *(optional)*:

III: Financial & Legal Information

1	The Unit assessment charges/fees for each unit are: (if the amounts vary, please provide a range)	**$**	
2	What is the total annual budgeted assessment income (which includes regular common expense fees) for the current year?	**$**	
3	What is the expiration date of the current annual budget?		
4	Has the HOA had a reserve study completed on the project within the past 3 years? If yes, provide a copy of all reserve studies completed within the past 3 years.	☐ Yes	☐ No
5	What is the total of the current reserve account balance(s)?	**$**	
6	What are the total reserves budgeted for the current year?	**$**	
7	How many unit owners are 60 or more days delinquent on common expense assessments?		
	If delinquent 60 or more days, please provide the total dollar amount outstanding.	**$**	
8	Do the project documents give the mortgagee and guarantor of the mortgage on any unit in a condo project the right to timely written notice of the following:		
a	Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage?	☐ Yes	☐ No
b	Any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage?	☐ Yes	☐ No
c	A lapse, cancellation, or material modification of any insurance policy maintained by the homeowners' association; and any proposed action that requires the consent of a specified percentage of mortgagees?	☐ Yes	☐ No
d	Any proposed action that requires the consent of a specified percentage of mortgagees?	☐ Yes	☐ No
9	Do any provisions of the condo project documents gives a condo unit owner or any other party priority over any rights of the first mortgagee of the condo unit pursuant to its mortgage in the case of payment to the unit owner of insurance proceeds or condemnation awards for losses to or a taking of condo units and/or common elements?	☐ Yes	☐ No
10	In the event a lender acquires a unit due to foreclosure or a deed-in-lieu of foreclosure, is the mortgagee responsible for paying delinquent common expense assessments?	☐ Yes	☐ No
	If yes, for how long is the mortgagee responsible for paying common expense assessments? (Select one)	☐ 1- 6months ☐ 7 -12 months ☐ >12 months	

11	Is the HOA or developer involved in **any** active or pending litigation, including, but not limited to, Bankruptcy Chapter 11, Chapter 13, HOA insolvency, or HOA buyout?	☐ Yes	☐ No
a	**If yes**, please provide a letter from the attorney or HOA on their letterhead disclosing the nature and status of the litigation, along with the potential damages amount. Also, provide the attorney's name and contact information: Name: Phone:		

IV: Project Information

1	In what year project was the project originally built?		
2	Is the project a conversion within the past 3 years of an existing structure that was used as an apartment, hotel/resort, retail or professional business, industrial or for other non-residential use?		
3	Has the developer transferred control of the HOA to the unit owners? ☐ Yes, Date transferred: ☐ No, estimated date the transfer will occur:		
4	Is the project 100% complete, including all construction or renovation of units, common elements, and shared amenities for all project phases?	☐ Yes	☐ No
If No, complete the table below:			
a	Are all planned amenities and common facilities fully complete?	☐ Yes	☐ No
b	Is the project subject to additional phasing or annexation?	☐ Yes	☐ No
c	Is the project legally phased?	☐ Yes	☐ No
d	How many phases have been completed?		
e	How many total phases are legally planned for the project?		
f	How many total units are planned for the project?		
g	What assurance arrangements have been made to guarantee the future completion of all project facilities, common elements, and limited common elements:		

V: Presale and Investor Concentration

	1. Complete the following information concerning ownership of units:	**Entire Project**	**Subject Legal Phase** (in which the unit is located)
a	Total number of units		
b	Total number of units sold and closed or under contract to owner-occupants		
c	Total number of units sold and closed or under contract to second home owners		
d	Total number of units sold and closed or under contract to investor owners (rental units)		
e	Total number of units sold and closed		
f	Total number of units being rented by developer, sponsor, or converted		
g	Total number of units under bona-fide sales contracts (builder/developer unsold units)		
h	Total number of units sold (developer sales only)		
i	Total number of units owned by the HOA		
2. Does any single entity own more than 10% of the total units in the project (individual, partnership, investor group, corporation, etc.)? If yes, complete the following table:		☐ Yes	☐ No

Individual / Entity Name	Developer or Sponsor (Yes or No)	Number of Units Owned	Percentage Owned of Total Project Units	Number Leased at Market Rent	Number Leased under Rent Control
	☐ Yes ☐ No		%		
	☐ Yes ☐ No		%		

	☐ Yes ☐ No		%		
	☐ Yes ☐ No		%		

3. Do the unit owners have sole ownership interest in and rights to the use of, the project's facilities, common elements, and limited common elements once control is turned over to the unit owners?	☐ Yes	☐ No
4. Are any of the amenities and facilities, including parking and recreational facilities subject to lease between the unit owners and the HOA or another party?	☐ Yes	☐ No
If no to questions 3 and/or 4, explain who has ownership interest in and rights to use the project amenities and common areas, and/or explain the leased facilities/amenities:		

VI: Insurance Information & Financial Controls

1. Supply the information requested below. Do NOT enter "contact agent."

With completion of this form, please include copies of the insurance declarations pages for all insurance policies.

Type of Insurance	Carrier/Agent Name	Carrier/Agent Phone Number	Policy Number
Hazard (Master policy, excluded perils, geo perils, HO6, etc.)			
Flood			
Earthquake			
Fidelity			
Liability			

2. Hazard Insurance

Does the coverage guarantee replacement for all general and limited common elements in the project? **If no**, what is the replacement cost amount for the entire project?	☐ Yes	☐ No
	$	
What is the amount of coverage for the project?	**$**	
Does the master policy exclude or limit coverage on any peril?	☐ Yes	☐ No
If yes, is there a standalone policy that provides adequate coverage?	☐ Yes	☐ No
What percentage of the face amount of the policy is the deductible?	%	
Does the master policy have multiple deductibles (e.g., separate deductible for windstorms or ice damage coverage)? **If yes,** list each policy and the deductible amount for each policy in the table below. Also indicate if the deductible is per unit.	☐ Yes	☐ No

	Policy	Deductible Amount
1		
2		
3		
4		
5		
6		

3. H06 Insurance

	Does the HOA maintain HO6 or "walls in" coverage for the unit owners? **If yes**, does it provide for the following:	☐ Yes	☐ No
a	Is coverage the same peril(s) as the master policy?	☐ Yes	☐ No
b	Coverage for master property insurance policy deductible assessments levied on the unit owner by the HOA for the applicable peril(s)?	☐ Yes	☐ No
c	Loss assessment coverage in an amount sufficient to cover assessments in excess of 5% of the master property insurance policy coverage amount?	☐ Yes	☐ No

4. Liability Insurance

a	Is the coverage at least $1million for bodily injury and property damage for any single occurrence?	☐ Yes	☐ No

5. Flood Insurance

Are units or common elements located in a flood zone?	☐ Yes	☐ No
If yes, flood coverage is in force equaling (***select only one option***): ☐ 100% replacement cost ☐ Maximum coverage per condominium available under the National Flood Insurance Program ☐ Some other amount here: $		

6. Answer all of the following regarding HOA financial accounts

Does the HOA maintain separate accounts for operating and reserve funds?	☐ Yes	☐ No
Appropriate access controls are in place for each account?	☐ Yes	☐ No
Does the bank send copies of monthly bank statements directly to the HOA?	☐ Yes	☐ No
Two members of the HOA Board of Directors are required to sign any check written on the reserve account?	☐ Yes	☐ No
The Management Company maintains separate records and bank accounts for each HOA that uses its services?	☐ Yes	☐ No
The Management Company does not have the authority to draw checks on, or transfer funds from, the reserve account of the HOA?	☐ Yes	☐ No

VII: Building Safety, Soundness, Structural Integrity, and Habitability

1	When was the last building inspection (including structural and/or mechanical) by a licensed architect, licensed engineer, or any other building inspector)? Provide a copy of any/all inspection(s) completed within 3 years of the project review date. Any inspection that recommends repairs/replacement must be accompanied with HOA board meeting minutes to document findings and action plan. If the project is subject to California SB-326 a balcony, deck, and walkway inspection is required. If the project is subject to Florida SB-4D requirements, the structural integrity reserve studies and milestone structural inspections subject to all state requirements are required.		
2	Did the last inspection/reserve study have any findings related to the safety, soundness, structural integrity, or habitability of the project's building(s)? 2a) If **yes,** have recommended repairs/replacements been completed and when? (provide a copy all documentation evidencing completion). If the repairs have **not** been completed: 2b) What repairs/replacements remain to be completed? 2c) When will the repairs/replacements be completed?	☐ Yes	☐ No
3	Is the project subject to partial or total evacuation order due to unsafe conditions that have not been remediated?	☐ Yes	☐ No
4	Is the HOA aware of any critical repairs or replacements that significantly impact the safety, soundness, structural integrity or habitability of the project's building(s), or the financial viability or marketability of the project? Examples include but are not limited to the following: Foundation, sea walls, elevators, waterproofing, stairwells, balconies, parking structures, load bearing structures, electrical systems.	☐ Yes	☐ No
If yes, answer the following:			
a	Are there any material deficiencies, which if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year? If yes, please describe:	☐ Yes	☐ No
b	Is there any mold, water intrusions or potentially damaging leaks to the project's building(s) that have not been repaired?	☐ Yes	☐ No
c	Of the deficiencies outlined above, what repairs/replacements remain to be completed, and when will they be completed?		
d	Are there any outstanding violations of jurisdictional requirements (zoning ordinances, codes, etc.) related to the safety, soundness, structural integrity, or habitability of the project's building(s)? **If yes**, provide the notice from the applicable jurisdictional entity:	☐ Yes	☐ No

e	Is it anticipated the project will, in the future, have such violation(s)? If Yes, provide details of the applicable jurisdiction's requirement and the project's plan to remediate the violation:	☐ Yes	☐ No
f	Does the project have a funding plan for its deferred maintenance components/items to be repaired or replaced?	☐ Yes	☐ No
g	Are there any unfunded repairs/maintenance costing more than $10,000 per unit that should be undertaken within the next 12 months? (does not include repairs made by the unit owner or repairs funded through a special assessment). If yes, how much is currently set aside in the reserves for the repairs/maintenance?	☐ Yes	☐ No
h	Are there any unfunded repairs/maintenance costing more than $10,000 per unit that should be undertaken within the next 12 months? (does not include repairs made by the unit owner or repairs funded through a special assessment). If yes, how much is currently set aside in the reserves for the repairs/maintenance?	☐ Yes	☐ No
5	Are there any current or planned special assessments that unit owners are or will be obligated to pay? **If yes, are they current or planned?** 5a) If there are current or proposed special assessments, provide the purpose for each special assessment, the total amount of the assessment, the repayment terms, the remaining balance, the unit owner's monthly obligation, and the expected date the assessment will be paid in full: 5b) When was the special assessment approved? Is it planned (future) or already being executed? 5c) Is the assessment already included in the unit owner's HOA dues? 5d) If repairs are needed, what are the associated repairs and total cost of repairs (attach work estimates and applicable invoices):	☐ Yes ☐ Yes (5c)	☐ No ☐ No (5c)
6	How many unit owners are 60 days or more delinquent on each special assessment? If delinquent 60 or more days, please provide the total dollar amount outstanding: **$**		
7	Has the HOA obtained any loans to finance improvements or deferred maintenance?	☐ Yes	☐ No
a	Amount borrowed?	**$**	
b	Terms of repayment?		

VIII: Contact Information

Name of Preparer		**Title of Preparer**	
Preparer's Phone		**Preparer's Email**	
Preparer's Company Name		**Preparer's Company Address**	

I, the undersigned, certify that to the best of my knowledge, belief, the information and statements contained on this form, and the attachments are true and correct.

____
Signature of Association Representative or Preparer

____
Date