

Announcement # 25-72**Date: July 21, 2025**

Fannie Mae SEL 2025-05 & Freddie Mac Bulletin 2025-9: Updates to Project Eligibility for Terminating or Insolvent Condominium Projects

Effective with new loan applications dated on or after September 30, 2025, Pennymac is aligning with Fannie Mae and Freddie Mac updates to condominium project review requirements. While these updates are not required until September 30, 2025, Clients are encouraged to implement these changes immediately; *However, if a Client becomes aware of any of these ineligible project actions or proceedings prior to September 30, 2025, they must apply the new policy immediately.*

The updates introduce projects that are terminating or involved in insolvency proceedings as an ineligible project type.

Projects Terminating or Involved in Insolvency Proceedings

- A project must not be the subject of an action that would cause the project to cease to exist, including termination, deconversion, or dissolution of the project's legal structure.
- Additionally, a project must not be the subject of a voluntary or involuntary bankruptcy, insolvency, liquidation, or receivership proceeding, or any substantially similar action under state or federal law.
- This includes any project that has voted on ***or is in the process of*** voting on any of the actions or proceedings described above.

These requirements apply to all mortgages secured by condominium units in condominium projects, ***regardless of the project review type. The requirements also apply to loans eligible for a waiver/exemption of project review.***

As a reminder, Clients must notify Fannie Mae's Project Standards team and Freddie Mac's Project Info Team within five business days of becoming aware of an ineligible condo project characteristic.

Please contact your Sales Representative with any questions.