

Condo Project Eligibility Checklist

- € Construction of the subject project or phase must be substantially complete (generally considered 90%).
- € At least 51% of the units in the project or phase must be sold to owner occupants for use as a primary residence or second home. (applies to new construction/pre-sales)
- € All facilities related to the subject project must be owned by the homeowner's association or unit owners.
- € No single entity owns more than 10% of the units in the entire project.*
- € No more than 20% of the total building square footage can be used for nonresidential purposes. *
- € If the project is a conversion, all renovation work must be completed to all units and common elements.
- € No more than 30% of the units in the subject project may be investor owned.*

Condominium projects with any of the following characteristics are ineligible:

- € Condo-hotels
- € Student Condos (Kiddie Condos)
- € Shared Ownership Condos (i.e. Timeshare)
- € Manufactured housing units condos
- € Projects with outstanding legal or environmental issues
- € Ineligible or Non-Warrantable condominium projects (per Fannie Mae/Freddie Mac definitions)
- € Projects where more than 30% of the units are owned by investors other than the original developer/investor
- € Projects identified on MGIC's Ineligible Project list

Maximum Exposure

- € MGIC may insure up to 33% of the total sold units in projects with more than 10 units. Additional units will be considered on a case-by-case basis. If project has fewer than 10 units MGIC will insure up to 3 units if the project has 5 or fewer units and 4 units for those projects with greater than 5 units.

Requirements for condominium projects with less than 10 units:

- € No single entity may own more than 33% of the units in the entire project.
- € No space within the development may be used for commercial usage.
- € Projects must have a homeowners association or there must be a binding arbitration agreement among the unit owners.
- € Investor ownership is still limited to a maximum 33% of the total units.
- € All other requirements for projects with greater than 10 units must be met.