

National Mortgage News

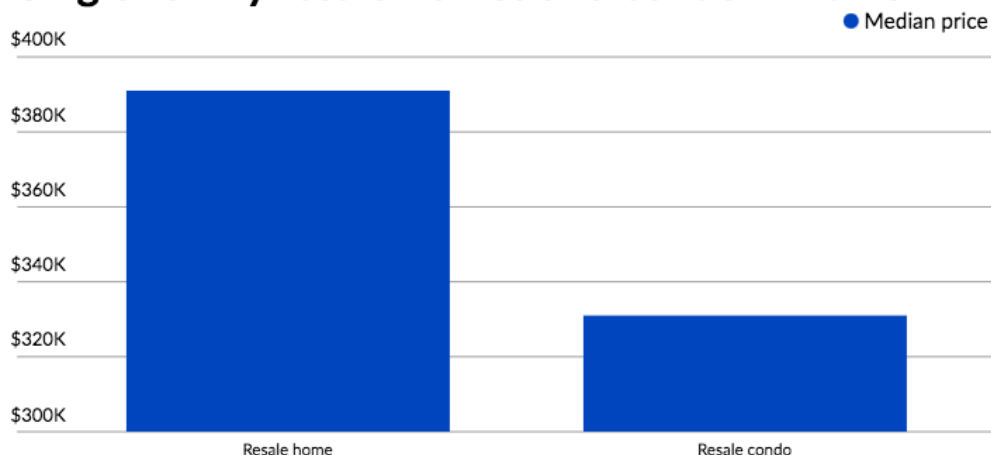
Freddie Mac's new condo tech aims to offer quick building assessment

Freddie Mac has introduced automation that aims to quickly give lenders an idea of whether buildings that contain [condominium](#) units meet a list of criteria [that was lengthened](#) in the wake of the Surfside condo collapse last year.

The new Condo Project Advisor reviews tens of thousands of buildings and gives lenders feedback early in the lending process, according to a press release about the technology issued on Monday.

The automation addresses lender interest in expanding their search for mortgage leads at a time when [rising rates](#) have diminished origination opportunities. It also facilitates access to housing at a relatively lower cost in line with the government sponsored enterprise's mission. The median price for a standard, single-family resale home in September was \$391,000, according to the National Association of Realtors. The equivalent for condo units was \$331,000. A significant number of condo buyers are first-time homeowners who have lower incomes.

Single-family resale homes and condominiums



Source: National Association of Realtors' existing home sales report for September 2022

"By providing lenders fast, clear and actionable findings, they'll have confidence originating and delivering more condominium unit mortgages, which are an important source of affordable housing," said Tanya DeLia, vice president of automated underwriting and risk assessment in Freddie Mac's single-family division, in a press release.

The analysis of many condominium building features are available after three inputs: ZIP code, project name and street, according to Freddie Mac, a government-sponsored enterprise that backs a significant number of mortgages in the United States.

The technology is able to determine whether the project meets criteria. If it doesn't greenlight the loan, details are offered as to why, such as if the property has condominium hotel characteristics, excessive commercial space, or an investor concentration. The automation also may return a finding of "incomplete" if information about the building can't be found.

Some building data is not currently available through the new Condo Project Advisor, such as information about litigation, budget and title. Freddie Mac plans to expand the information available through the technology over time.

Right now, only information on established buildings that are at least 75% sold are currently available through the technology, which is part of the Loan Advisor Suite.

Of late, Freddie Mac has made a few other improvements to its technology in this suite, including a recent move that accommodates [cash flow-based underwriting](#) for single-family borrowers.