



## FHA Signals Release of New Condominium Guidelines

FHA officials have confirmed to CAI their intention to release revisions to existing condominium approval guidelines prior to September 1. The new requirements are pending final approval by FHA Acting Commissioner Carol Galante.

FHA staff shared the new guidelines are intended to provide flexibility for condominiums, but will reflect enhanced risk management standards being enforced in all FHA program areas. Based on these comments and other indications by Acting Commissioner Galante, it is not likely the revised guidelines will offer substantive or sweeping relief from current FHA condominium program requirements.

FHA plans to conduct a nationwide conference call to discuss the new guidelines in September. The conference call will be open to all interested parties involved in the condominium approval process, including CAI members. CAI will circulate call information, including the date and time of the call, the teleconference number and password, and instructions on the call format and participation. CAI members are encouraged to participate.

FHA staff also disclosed the Department of Housing and Urban Development (HUD) will not propose a new federal regulation for condominiums concurrent with the release of the new condominium program guidelines. HUD Secretary Shaun Donovan and Acting Commissioner Galante have repeatedly stated in public appearances and in testimony before Congress that upon release of the new condominium guidelines HUD would proceed to a full condominium rulemaking with opportunity for public comment.

In the absence of a condominium regulation, FHA is limited in the guideline changes it can make through exercise of its administrative authority. CAI will continue to urge that HUD move expeditiously to provide an appropriate legal foundation for FHA's condominium program so that condominiums are afforded the greatest opportunity to receive FHA approval.