

EDMUND'S MASTERMIND • COMPLETE WORKBOOK

THE CONDO DUE-DILIGENCE BRIEF

AI reads the reserve study so your buyer doesn't lose a deposit — the document pull, the red-yellow-green scorecard, and the listing-side confidence packet. Florida's condo-safety laws as the case study, with how the same risks show up in every U.S. market.

A promotional image for a webinar. It features a man in a dark suit and glasses holding a white sign with a red warning triangle and the text 'SPECIAL ASSESSMENT'. The background shows a modern apartment building with autumn foliage. The text 'THE CONDO DUE-DILIGENCE BRIEF' is overlaid in large white letters, and 'ONE PAGE CAN KILL THE DEAL. AI FINDS IT FIRST.' is in yellow. The EB Bogen.AI logo is in the top right corner.

**THE CONDO
DUE-DILIGENCE
BRIEF**

**ONE PAGE CAN
KILL THE DEAL.
AI FINDS IT FIRST.**

EDMUND'S MASTERMIND • WEDNESDAY, OCTOBER 7 • 9 AM ET

How to use this workbook

Three systems, one goal: every condo question surfaces inside the buyer's review window — not after the deposit is at risk.

The job isn't to read 400 pages of association documents faster. It's to know which documents to demand, get AI to turn them into a buyer-ready list of questions, and route every real issue to the professional who owns it.

The three systems

System	What it does	Who uses it
1 • The Document Pull	Builds the request checklist, sends the request, and tracks the review window day by day.	Buyer's agent
2 • The Red-Yellow-Green Scorecard	AI summarizes the reserve study, inspections, budget, minutes, and insurance — every flag quoted back to its source page.	Buyer's agent
3 • The Confidence Packet	Assembles the building's documents and a factual summary before listing, so buyers' questions are answered early.	Listing agent

How the workbook is organized

- **Pages 3–10:** the three systems, each with copy-paste prompts.
- **Pages 11–12:** Florida deep dive — the condo-safety laws that forced these documents into the open, verified against the 2026 Florida Statutes.
- **Pages 13–14:** beyond Florida — how the same risks show up in other states and in condo lending rules that apply nationwide.
- **Pages 15–17:** guardrails, the 30-day plan, and sources.

READ THIS FIRST

This is a document-organization workflow, not legal, engineering, insurance, or lending advice. AI output is a summary and a list of questions. Conclusions about the contract belong to a community association attorney; conclusions about the structure belong to the licensed engineer or architect who signs the report. Laws change — confirm current rules for your state and your contract forms before relying on any date or deadline in this workbook.

RESEARCH STANDARD

Every legal fact in this workbook was checked against a primary source (statute text, enrolled bill, or state agency) as of September 15, 2026. Sources are listed on page 17.

THE CONDO DUE-DILIGENCE BRIEF

THE 3 SYSTEMS

1 • THE DOCUMENT PULL

Know exactly which documents to demand, and get them inside the review window.

2 • THE RED-YELLOW-GREEN SCORECARD

AI reads the reserve study, inspections, budget, minutes, and insurance — then flags the questions.

3 • THE CONFIDENCE PACKET

Package the building's answers before buyers ask, so the deal survives the review window.

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⚡ Why this session matters

Florida rewrote its condo rules after the 2021 Surfside collapse — but the pressure is national. About 78 million Americans live in community associations. Fannie Mae now treats critical repairs and significant deferred maintenance as a reason a condo project is ineligible for financing in every state, and Freddie Mac's reserve minimum rises from 10% to 15% of budgeted assessment income for loan applications dated on or after January 4, 2027.

The risk isn't the document you read. It's the special assessment discussed in last spring's board minutes that nobody pulled.

Review windows vary by state: Florida gives resale buyers 7 days (excluding weekends and legal holidays), Virginia 3, Washington 5 business days — and Arizona none by statute. The window is the whole game.

🎯 What you'll learn

We will master 3 systems live, together:

1 • The Document Pull — the checklist of what to demand, the request email, and a day-by-day review-window tracker.

2 • The Red-Yellow-Green Scorecard — AI reads the reserve study, inspections, budget, minutes, and insurance, and quotes back every flag with its page.

3 • The Confidence Packet — the listing-side package that answers the building's questions before buyers ask.

What's in a condo document set

The names vary by state. The questions don't. Know what each document answers before you ask for it.

Document	The question it answers	What to look for
Reserve study	Is the association saving enough for the big-ticket components it will have to replace?	Date, who prepared it, the funding plan, and the gap between recommended and actual contributions.
Inspection / engineering reports	Has a licensed professional found conditions that require repair?	Findings, required repairs, deadlines, and whether repairs have started.
Budget & financial statement	What does it cost to run the building, and is that changing?	Year-over-year changes, reserve line items, loans or lines of credit.
Board & owner meeting minutes	What's being discussed that hasn't hit the budget yet?	Special assessments, repair bids, insurance renewals, litigation, water intrusion complaints.
Insurance declarations	What is the master policy covering, and what's left to the owner?	Coverage types, deductibles, renewal date, flood coverage.
Declaration, bylaws & rules	Can the buyer use the unit the way they intend?	Rental restrictions, pet rules, approval requirements, assessment powers.
Lender questionnaire	Will the buyer's lender finance a unit in this project?	Pending litigation, commercial space, single-owner concentration, delinquencies, critical repairs.

THE RULE THAT RUNS THIS WORKBOOK

Minutes before marketing. The documents a seller is required to hand over tell you what was decided. The minutes tell you what's coming. Always request 12 months of board and owner meeting minutes — in Florida the current Condominium Rider (CR-7) gives the buyer a way to request them; elsewhere, ask in writing.

System 1 — The Document Pull

Get the right documents, in writing, early enough that the review window works for your buyer.

Prompt 1.1 — The Document Checklist Builder

I'm representing a [BUYER/SELLER] on a resale condominium unit in [CITY, STATE]. Build me a document request checklist in three columns: (1) documents the seller or association is required to provide to a buyer under [STATE]'s condo resale disclosure rules – list only what you can cite to the statute, and write "verify with a local real estate attorney" for anything you are not certain applies; (2) documents a buyer's lender typically requests for a condo loan (project questionnaire, budget, reserve study, master insurance); (3) documents worth requesting even if not required (12 months of board and owner meeting minutes, current insurance declaration pages, engineering or inspection reports, pending special assessments, litigation). For each item add who usually holds it and the question it answers for the buyer. Do not state any deadline or day count unless you cite the statute section; otherwise write "confirm the review period in your contract and state law."

Prompt 1.2 — The Request Email

Write a short, professional email from me, [AGENT NAME], to the [LISTING AGENT / ASSOCIATION MANAGER] for [BUILDING NAME], unit [UNIT]. Request these documents: [PASTE CHECKLIST ITEMS]. Explain that the buyer's review period is time-sensitive and ask for delivery as PDFs with the date each document was issued. Ask them to confirm in writing if any listed document does not exist (for example, "no reserve study has been completed"). Friendly, precise, no pressure language, under 150 words.

Prompt 1.3 — The Review-Window Tracker

Here is my executed contract date: [DATE], the date the buyer received the condo documents: [DATE], and the review period written in the contract/rider: [PASTE THE EXACT CLAUSE]. Build a day-by-day calendar from receipt to the end of the review period, counting days exactly the way the clause describes (if it excludes weekends and legal holidays, skip them and list which holidays you skipped). Mark: document review day, questions-to-association day, attorney/engineer consult day, and the last day to give written notice. If the clause is ambiguous, say so and tell me to confirm with the buyer's attorney – do not guess.

Florida example: for resale units the statutory window is 7 days, excluding Saturdays, Sundays, and legal holidays, after the later of contract execution and receipt of the required documents (s. 718.503(2)(d)–(e), Fla. Stat.). Developer sales use a different, 15-day rule. Paste the clause — never type the number from memory.

Document pull worksheet

Fill this in on your next condo contract. Check each item off when it's in hand — and note the date it was issued.

Document	Requested	Received	Issued date / notes
☐ Reserve study (most recent)			
☐ Inspection / engineering reports			
☐ Budget & annual financial statement			
☐ 12 months of board & owner minutes			
☐ Insurance declaration pages			
☐ Declaration, bylaws & rules			
☐ Special assessments (approved / proposed)			
☐ Litigation disclosure			
☐ Lender questionnaire (if financed)			
☐ State-required disclosure form(s)			

Review window

Milestone	Date
Contract executed	
All required documents received	
Scorecard run & questions sent to association	
Attorney / engineer consult (if needed)	
Last day to give written notice (per the clause)	

THE CLAUSE, WORD FOR WORD

System 2 — The Scorecard

One page your buyer can read in two minutes, where every flag points back to the page it came from.

The color rules

Color	Use it when the documents show...	Your next move
● RED	A required repair, an approved or proposed special assessment, a lawsuit, or a required report that's missing.	Route to the attorney, engineer, or lender — before the window closes.
● YELLOW	Something unclear, outdated, or discussed without a decision.	Send a written question to the association.
● GREEN	Clearly addressed in current documents.	Note the source page; move on.

The scorecard rows

Row	What AI pulls from the documents
Reserve study	Date, preparer, funding plan
Reserve funding	Actual balance vs. the study's recommended funding
Inspections & repairs	Findings, required repairs, timelines
Special assessments	Approved, proposed, or discussed — and how payable
Budget trend	Year-over-year changes in dues and reserves
Insurance	Coverage types, deductibles, renewal date
Litigation & claims	Any mention in minutes, financials, or disclosures
Delinquencies	Owner arrears mentioned (never owner names)
Use restrictions	Rentals, pets, approvals affecting the buyer's plans

THE NON-NEGOTIABLE

No quote, no flag. Every row must cite the document and page. If the documents don't address it, the row says NOT FOUND — which is itself a question for the association. AI never decides whether reserves are "adequate" or whether the building is "safe."

Scorecard prompts

Upload the document set first. Redact personal information before you upload (page 15).

Prompt 2.1 — The Scorecard

You are helping a real estate agent summarize condominium association documents for a buyer. You are NOT giving legal, financial, or engineering advice. I've uploaded: [LIST – reserve study, inspection summary, budget, balance sheet, 12 months of minutes, insurance declarations, rules]. Produce a RED / YELLOW / GREEN scorecard with one row per topic: Reserve study (date, who prepared it, funding plan); Reserve balance vs. the study's recommended funding; Inspection findings and required repairs; Special assessments (approved, proposed, or discussed); Budget changes year over year; Insurance (coverage types listed, deductibles, renewal date); Litigation or claims mentioned; Delinquency / owner arrears mentioned; Rental or other use restrictions. For each row: color, a one-sentence plain-English summary, the exact quote and document/page it comes from, and "NOT FOUND" if the documents don't address it. RED = a required repair, approved/proposed special assessment, lawsuit, or missing required report; YELLOW = needs a follow-up question; GREEN = addressed clearly. End with: "This summary is not an opinion on the building's condition or the adequacy of reserves. Review with a community association attorney and, where repairs are noted, a licensed engineer."

Prompt 2.2 — The Questions for the Association

From the scorecard above, write the questions the buyer should ask the association or management company – one question per RED or YELLOW row, each tied to the document and quote that prompted it. Group them: Money (reserves, assessments, budget), Building (repairs, inspections, timeline), Risk (insurance, litigation, delinquencies). Plain language, no accusations, maximum 15 questions.

Prep the upload (5 minutes that save the review window)

One file per document	Keep each report as its own PDF with its original page numbers, so every quote in the scorecard can be checked.
Name it with the date	"Reserve-Study-2025-03.pdf" — the scorecard's first question is always how current the document is.
Redact first	Remove Social Security, driver license, and account numbers, plus owner names and unit numbers in delinquency lists or minutes.
Check every quote	Open the cited page for every RED and YELLOW row before anything goes to the buyer. AI summarizes; you verify.

Scorecard prompts, continued

The minutes are where the next special assessment shows up first.

Prompt 2.3 — The Minutes Miner

I've uploaded 12 months of board and owner meeting minutes for [BUILDING]. List every mention of: special assessments, loans or lines of credit, reserve funding, engineering or inspection reports, repair projects and bids, insurance renewals or premium changes, litigation, and owner complaints about water intrusion or structural issues. For each: meeting date, a direct quote, and whether a vote was taken. Do not interpret or predict outcomes – list only what the minutes say.

Prompt 2.4 — The Referral Flags

Based on the scorecard, list which items the buyer should take to (a) a community association attorney, (b) a licensed engineer or architect, (c) an insurance agent, (d) the lender. One line each, explaining why, citing the document. Do not give your own opinion on the outcome.

Example scorecard format

Format only — bracketed fields show where the document facts go. Not a real building.

Row	Color	Summary	Source
Reserve study	 GREEN	Study dated [DATE], prepared by [CREDENTIAL]; funding plan included.	Reserve study, p. [#]
Special assessments	 RED	Board discussed an assessment for [PROJECT]; no vote recorded.	Minutes [DATE], p. [#]
Insurance	 YELLOW	Declarations list [COVERAGES]; flood coverage not shown.	Dec pages, p. [#]
Litigation	 YELLOW	NOT FOUND in documents provided — ask the association.	—

System 3 — The Confidence Packet

For listing agents: answer the building's questions before a buyer's review window starts the clock.

Prompt 3.1 — The Packet Table of Contents

I'm listing a condo unit at [BUILDING, CITY, STATE]. Using the documents I've gathered [LIST], build a "Building Confidence Packet" table of contents for buyers and their agents: each document, its date, what question it answers, and where it's posted (association website, management portal, or attached). Flag any document that is missing or older than [X] years so I can request an update before listing.

Prompt 3.2 — The Plain-English Building Summary

Write a one-page, factual building summary for the listing packet using ONLY the uploaded documents: building age and inspection history, most recent reserve study date and who prepared it, current reserve balance as stated, any approved special assessments and how they're payable, insurance coverage types and renewal date, and recent completed or scheduled projects. Cite the document for each fact. No marketing adjectives, no predictions, no statements about who the building is "perfect for." If something isn't in the documents, leave it out.

Why listing agents win with this: a buyer who can read the building's story on day one asks better questions on day two. Surprises during the review window are what kill deals — not the facts themselves.

Build the packet around what the lender will ask for

Fannie Mae's Selling Guide lets lenders pull board minutes, engineer and inspection reports, reserve studies, repair lists, and special-assessment lists when reviewing a condo project. Since August 3, 2026, streamlined reviews are retired, so more buyers' lenders will ask. A packet that already contains those documents shortens the financing conversation.

Lender will ask about	Put this in the packet
Critical repairs & deferred maintenance	Most recent inspection or engineering report, and the status of any required repairs
Reserves	Current budget showing the reserve line, and the most recent reserve study
Special assessments	Purpose, approval status, amount, and payoff date for each
Insurance	Master policy declaration pages, including deductibles

Confidence packet prompts, continued

Close the gaps before the listing goes live.

Prompt 3.3 — The Seller Readiness Check

Before we list, compare the documents we have [LIST] against what a buyer and a buyer's lender will ask for. Tell me what's missing, what's outdated, and which items are likely to trigger questions during the buyer's review period — citing the document for each. Then draft a short, friendly request from my seller to the association manager for the missing items.

Prompt 3.4 — The Buyer-Agent Heads-Up

Write a short note to buyers' agents that accompanies the packet: what's included, the dates of the key reports, and an invitation to send questions early in the review period. Factual, professional, under 120 words. No claims about the building's condition beyond what the documents state.

Packet checklist

Item	In packet	Date / where posted
☐ Most recent reserve study (or written statement none exists)		
☐ Inspection / engineering report summaries		
☐ Current budget & financial statement		
☐ Insurance declaration pages		
☐ Approved special assessments & payment terms		
☐ Governing documents & rules		
☐ Plain-English building summary (Prompt 3.2)		

Florida deep dive — the laws

Enacted in stages after Surfside: SB 4-D (2022), SB 154 (2023), HB 1021 (2024), and HB 913 (2025, effective July 1, 2025). No substantive 2026 changes to these sections.

Milestone inspections — s. 553.899

- **Which buildings:** condominium and cooperative buildings three habitable stories or more.
- **When:** by December 31 of the year the building reaches 30 years from its certificate of occupancy, then every 10 years. A local agency *may* require it at 25 years based on local conditions, including proximity to salt water.
- **Phase one:** visual examination by a licensed architect or engineer. **Phase two** (testing) only if substantial structural deterioration is found.
- **Buyer-relevant:** the inspector provides a summary; within 45 days the association must distribute it to every unit owner, post it on the property, and post the report on its website if one is required. Local ordinances must require repairs to begin within 365 days after a phase two report.

Structural Integrity Reserve Study (SIRS) — s. 718.112(2)(g)

- **Which buildings:** residential condominium buildings three habitable stories or higher, at least every 10 years.
- **Components:** roof; structure and load-bearing walls; fireproofing and fire protection; plumbing; electrical; waterproofing and exterior painting; windows and exterior doors; and any other item over \$25,000 (inflation-adjusted) whose failure would affect those components.
- **Who prepares it:** a licensed engineer or architect, or a reserve specialist or professional reserve analyst credentialed by CAI or APRA.
- **Deadline:** December 31, 2025 for associations existing on or before July 1, 2022. If done alongside a milestone inspection due by December 31, 2026, it may be completed with it — but no later than December 31, 2026.
- **Transparency:** associations file a completion statement with the state (DBPR), which publishes a SIRS reporting database. Studies are kept as official records for at least 15 years.

Funding — s. 718.112(2)(f)

- For budgets adopted on or after December 31, 2024, owners **may not waive or reduce reserves** for SIRS components.
- SIRS reserves may be funded by regular assessments, special assessments, lines of credit, or loans — special assessments, lines of credit, and loans require a majority of the total voting interests.
- After a milestone inspection, contributions may be paused or reduced for up to two consecutive annual budgets (budgets adopted on or before December 31, 2028) to fund the required repairs — with a new SIRS before contributions resume.

Sources: Fla. Stat. ss. 553.899, 718.112(2)(f)–(g), 718.111(12) (2026); HB 913 (2025) enrolled text; DBPR condominium inspections page.

Florida deep dive — the buyer

What a resale buyer is entitled to — s. 718.503(2)

- At the seller's expense: declaration, articles, bylaws and rules, annual financial statement and budget, the inspector-prepared milestone summary (if applicable), the most recent SIRS or a statement that none has been completed, the turnover inspection report (for turnovers on or after July 1, 2023), the FAQ document, and the state governance form.
- **Review window:** 7 days, excluding Saturdays, Sundays, and legal holidays, after the later of contract execution and receipt of the documents. The right can't be waived and ends at closing. HB 913 raised this from 3 days effective July 1, 2025.
- A contract missing the required statements is voidable at the buyer's option before closing.

The Condominium Rider — CR-7 (Rev. 06/2025)

- **Special assessments:** the rider allocates who pays assessments levied before and after the Effective Date (Seller if left blank), and requires the seller to disclose assessments levied or discussed at a board meeting in the prior 12 months.
- **Extra documents:** the buyer may request 12 months of board and member meeting minutes and agendas, and insurance declaration pages, with 7 days to terminate after receiving them. This is a contract right, not a statutory one.
- Always pull the live form from your forms library before relying on these terms.

Insurance note

Citizens' flood requirement for personal-lines policies phases in by replacement cost, but **condominium unit-owner (HO-6) policies are exempt** (s. 627.351(6)(aa)). Lenders may still require flood coverage in designated flood zones.

The market right now (July 2026, latest released)

Market	Sales (YoY)	Median price (YoY)	Months of supply
Florida condo-townhouse	8,194 (+11%)	\$295,000 (flat)	7.8
Miami-Dade existing condo	1,026 (+11.4%)	\$400,000 (-1.48%)	12
Broward	1,018 (-2.77%)	\$255,000 (-3.77%)	10
Palm Beach	914 (+18.55%)	\$312,500 (+3.99%)	6.7

Florida Realtors (Aug 17, 2026); Miami Realtors (Aug 17, 2026). Florida Realtors' chief economist: condo sales "took an additional hit in recent years from new regulatory requirements, rising assessments, and challenges associated with insuring condo buildings... the market appears to be adjusting."

MYTHS YOUR CLIENTS STILL REPEAT

"The buyer has 3 days to cancel."	7 days, excluding weekends and legal holidays, since July 1, 2025.
"Only 150+ unit condos need a website."	25+ units since January 1, 2026.
"Owners can vote to waive reserves."	Not for SIRS components, for budgets adopted on or after Dec 31, 2024.
"A special assessment is the only way to fund it."	Lines of credit and loans are allowed, with a majority of total voting interests.

Beyond Florida — your state

Florida is the loudest example, not the only one. These are enacted rules verified in statute or agency text — if your state isn't listed, confirm locally, and the lending rules on the next page still apply.

State	What the law requires of the building	What the buyer gets at resale
California	SB 326 (Civil Code §5551): condo buildings with 3+ units and wood-based balconies, decks, stairways, or walkways more than 6 feet up — first inspection by January 1, 2025, then every 9 years with the reserve study, by a licensed engineer or architect. Reserve study visual inspection at least every 3 years (§5550).	Since January 1, 2026, the resale packet includes the most recent balcony inspection report (§4525).
New Jersey	Residential Structural Integrity Law (P.L.2023, c.214, signed January 8, 2024): structural inspections by a licensed NJ engineer for condo and co-op buildings with concrete, masonry, steel, or hybrid load-bearing structures.	Ask for the structural inspection and reserve study; confirm current timelines with a New Jersey attorney.
Maryland	HB 107 (2022): reserve studies for condos and co-ops, updated every 5 years, with budgets funding the recommended level (phased in over three budget cycles).	Reserve study or summary in the resale packet; 7 days to cancel after receiving all required information (§11-135).
Virginia	Condo reserve study at least every 5 years, reviewed annually (§55.1-1965).	Resale certificate includes the reserve study or a summary; 3 days to cancel after receiving it (§55.1-2312).
Washington	Reserve study updated annually, with a professional study and site visit at least every third year (RCW 64.90.545).	5 business days to cancel after first receiving the resale certificate when delivered 5 or fewer business days before signing; the certificate must warn if there is no current reserve study (RCW 64.90.640).
Nevada	Reserve study at least every 5 years by a state-permitted specialist (NRS 116.31152).	Until midnight of the 5th calendar day after receiving the resale package (NRS 116.4109).
Texas	—	Condo buyer who didn't receive the resale certificate before signing may cancel before the 6th day after receiving it (Prop. Code §82.156).
Arizona	—	Resale disclosure includes the most recent reserve study, if any; no statutory cancellation right (§33-1260).
New York City	Façade Inspection & Safety Program (Local Law 11): buildings taller than 6 stories, including condos and co-ops, inspected every 5 years.	Ask for the most recent façade filing and any required repairs.

WHAT THIS MEANS FOR SYSTEM 1

Every one of these laws creates a report a buyer can ask for. Add your state's version to the document pull checklist — and paste your state's actual review-period clause into Prompt 1.3 instead of typing a number from memory.

Sources: Cal. Civ. Code §4525, 5550, 5551; N.J. DCA summary of P.L.2023, c.214; Md. Ch. 664 (2022) & §11-135; Va. Code §§55.1-1965, 55.1-2312; RCW 64.90.545, 64.90.640; NRS 116.31152, 116.4109; Tex. Prop. Code §82.156; A.R.S. §33-1260; NYC DOB service notice (Feb 24, 2025). Colorado's mandatory reserve-study bill (HB22-1387) was vetoed.

The financing layer — every state

State laws decide what reports exist. Fannie Mae and Freddie Mac decide whether a buyer can get a conventional loan on the unit. Their rules are the same in Phoenix as in Miami.

When a condo project is ineligible — Fannie Mae Selling Guide B4-2.1-03

- A project is ineligible if it is "in need of critical repairs, including material deficiencies and significant deferred maintenance."
- Critical repairs include deficiencies that could cause a critical element or system to fail within one year; mold, water intrusion, or damaging leaks; advanced physical deterioration; failing a state or local mandatory structural or safety inspection; and unfunded repairs over \$10,000 per unit needed within 12 months (repairs funded through a special assessment are excluded from that test).
- If a structural or mechanical inspection was done within the past 3 years, the lender must review it.
- For special assessments, the lender must learn the purpose, approval status, original and remaining amount, and payoff date.
- Lenders may pull board minutes, engineer and inspection reports, reserve studies, repair lists, and special-assessment lists — the same documents System 2 scores.

Reserves are now a lending issue

Rule	What it says
Today (Fannie Mae B4-2.2-01)	The budget must allocate at least 10% to replacement reserves; baseline funding may not be used to waive it; a reserve study used instead must be no more than 3 years old.
Since August 3, 2026 (Freddie Mac Bulletin 2026-C)	Streamlined review retired — more projects get a full review.
January 4, 2027 (Freddie Mac Bulletin 2026-C)	Reserve minimum rises from 10% to 15% of budgeted assessment income for applications dated on or after this date. Fannie Mae made parallel changes (Lender Letter LL-2026-03), now incorporated into its Selling Guide.

Freddie Mac's stated reason: "a correlation between Condominium Projects with underfunded reserves... and those in need of Critical Repair." A loan on a unit in an ineligible project can't be sold to Fannie Mae or Freddie Mac. FHA and VA have their own project approval rules — ask the buyer's lender early.

The national picture

Condo & co-op existing-home sales, August 2026	360,000 annual rate (-2.7% year over year); median \$371,600 (+1.5%) — NAR, Sep 10, 2026
Community associations in the U.S. (2025)	373,000 associations · 29.6 million housing units · 78.1 million residents — CAI Foundation
Why lenders said no (CAI Foundation survey, May 2026 — 247 respondents in 36 states)	23% reserve funding · 21% a structural maintenance project · 20% insurance requirements

Guardrails

The system works because it knows where the agent's job ends.

Who owns which conclusion

Question	Who answers it
Is the contract enforceable? What does this clause mean?	A community association or real estate attorney. The Realtor Code of Ethics (Article 13) prohibits the unauthorized practice of law and calls for recommending legal counsel.
Is the building structurally sound? Are these repairs serious?	The licensed engineer or architect who signs the inspection report.
Are the reserves "adequate"?	Not the agent and not the AI. The reserve study preparer, the association, and the buyer's advisors.
Will the loan get approved?	The lender.
What does the policy cover?	A licensed insurance agent.

What to redact before uploading to any AI tool

- **Always remove:** Social Security numbers, driver license numbers, bank or financial account numbers, and login credentials.
- **Also remove:** owner names and unit numbers in delinquency lists or meeting minutes.
- **Generally fine:** association governing documents, budgets, reserve studies, and inspection summaries — in Florida, associations with 25+ units must post these on a website.
- Use an AI tool and plan setting that does not train on your uploads, per your brokerage's AI policy.

Fair housing

Keep every AI output about the building, the finances, and the documents — never about who lives there or who the unit is "right for." Describe property, not people.

THE LINE TO SAY OUT LOUD TO YOUR BUYER

"This is my summary of the association's own documents, with the questions I'd ask. For what it means legally or structurally, here's who we call."

Your 30-day plan

Install the system on one live file, then make it the default for every condo you touch.

Week	Actions
Week 1 Know the rules	☐ Confirm your state's condo resale disclosure rule and review period with your broker or attorney ☐ Pull your current condo rider or addendum from your forms library ☐ Save Prompts 1.1–1.3 in your prompt library
Week 2 First scorecard	☐ Request a full document set on one active or past condo file ☐ Run Prompts 2.1–2.3 and check every quote against the source page ☐ Line up a community association attorney and engineer you can refer
Week 3 Listing side	☐ Build a Confidence Packet for one condo listing (Prompts 3.1–3.3) ☐ Send the buyer-agent heads-up with the packet (Prompt 3.4)
Week 4 Make it default	☐ Add the document pull to your condo contract-to-close checklist ☐ Share one anonymized scorecard example with your sphere as a value piece ☐ Review: what did the minutes reveal that the required documents didn't?

My commitments

The condo file I'll run the scorecard on:

The attorney and engineer I'll refer to:

The listing I'll build a Confidence Packet for:

THE PROMISE

No condo buyer of mine discovers a special assessment after the review window closes.

Sources

Verified September 15, 2026. Laws and forms change — confirm before relying on any date or deadline.

Florida

- Florida Statutes (2026): s. 553.899 (milestone inspections); s. 718.111(11)–(12) (insurance, official records, websites); s. 718.112(2)(f)–(g) (reserves, SIRS); s. 718.503(2) (resale disclosure); s. 627.351(6)(aa) (Citizens flood); s. 689.302 (flood disclosure); s. 501.171 (personal information); s. 760.23 (fair housing) — flsenate.gov/Laws/Statutes
- HB 913 (2025), ch. 2025-175, enrolled text — flsenate.gov/Session/Bill/2025/913
- Florida DBPR, Division of Condominiums — condominium inspections page and SIRS reporting — condos.myfloridalicense.com/inspections
- Florida Realtors: forms update for July 1, 2025 changes (Jun 25, 2025); Condominium Rider CR-7 (Rev. 06/2025); legal articles on condo resale (Dec 18, 2024; Dec 16, 2025; law library updated Mar 27, 2026); "Dear Shannon" on Article 13 (Jan 30, 2024)
- Florida Realtors market report (Aug 17, 2026); Miami Realtors market report (Aug 17, 2026)

National

- Fannie Mae Selling Guide B4-2.1-03 (Ineligible Projects) and B4-2.2-01 (Full Review Process), versions dated 08/05/2026 — selling-guide.fanniemae.com
- Freddie Mac Bulletin 2026-C (March 18, 2026) and Bulletin 2026-6 (May 6, 2026); Fannie Mae Lender Letter LL-2026-03 and Announcement SEL-2026-07 (August 5, 2026)
- California Civil Code §§4525, 5550, 5551 — [leginfo.legislature.ca.gov](https://leginfo.ca.gov)
- New Jersey Department of Community Affairs summary of P.L.2023, c.214 — nj.gov/dca
- Maryland Chapter 664 (HB 107, 2022) and Real Property §11-135 — mgaleg.maryland.gov
- Virginia Code §§55.1-1965, 55.1-2312; Revised Code of Washington 64.90.545, 64.90.640; Nevada Revised Statutes 116.31152, 116.4109; Texas Property Code §82.156; Arizona Revised Statutes §33-1260
- NYC Department of Buildings, Façade Inspection & Safety Program service notice (February 24, 2025)
- Colorado General Assembly, HB22-1387 (vetoed May 27, 2022) — leg.colorado.gov
- National Association of Realtors, Existing-Home Sales (September 10, 2026)
- Community Associations Institute Foundation: 2025 Statistical Review; Condo Lending Guidelines Snap Survey (May 2026) — foundation.caionline.org

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