



To: LendingSpace Customers
Date: 05/31/18
Subject: **VA Site Condominiums Located in Michigan**

The purpose of this [VA Circular 26-18-12](#) is to announce changes to processing site condominiums for VA purpose in the state of Michigan. A site condominium is defined as a single family totally detached dwelling (no shared garages or any other attached buildings) encumbered by a declaration of condominium covenants or condominium form of ownership. This is a regional variance for the state of Michigan only. Lenders will process site condominium loans in a manner similar to a single family detached home. All other geographical areas are unaffected by this change.

Due to this change, effective immediately, site condominiums in the state of Michigan will be processed in the same manner as a single family detached residence. VA will no longer review legal documentation for site condominiums. Lenders will be responsible for ensuring that any site condominium proposed as collateral for a VA-guaranteed loan meet requirements for the state of Michigan.

- VA will still require that the condominium unit be held in Fee Simple. When a VA-guaranteed loan is used to purchase or refinance a site condominium, VA requires that the loan hold the first or superior position and has priority over all other liens or claims.
- Program participants no longer need to obtain a VA condominium ID or submit condominium association documents into VA for approval of site condominiums. When program participants request an appraisal, they will still be required to identify the property as a condominium in item 3A of the WebLGY online appraisal request form 26-1805-1, but will not have to provide a Condominium ID number.
- Staff Appraisal Reviewers (SAR's) and VA Staff Appraisers will no longer be required to condition NOV item #4 Condominium Requirements when the property is a condominium; however, they will need to clearly identify the case as a "Site Condominium" project on item #20 Other Conditions/Requirements on the NOV.
- Appraisers are still required to use Fannie Mae forms 1073 for site condominiums and complete the Project Information Section of the condominium appraisal form.
- Lender will provide letter on company letterhead in WebLGY that Site Condominium meets VA requirements as stated in this circular in order to satisfy item #20 Other Conditions/Requirements on the NOV.