

Rep. Schmidt offered the following resolution:

House Resolution No. 371.

A resolution to urge the U.S. Department of Veterans Affairs to follow Federal Housing Administration guidelines as they apply to site condominiums and view them as single-family homes as long as they meet certain criteria.

Whereas, Financing condominium ownership using government-backed loans is challenging. Traditional condominium units can be riskier for lenders because of the rights afforded to condominium associations, how associations are structured, and deed restrictions. This has made loans backed by the Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) difficult to obtain unless the condominium development meets occupancy requirements and is approved by the agency; and

Whereas, Site condominiums are single-family condominium developments that have the benefit of reducing some lending risks. Here, condominium units are stand-alone structures similar to single-family dwellings where owners are responsible for the upkeep of the entire structure rather than the interior alone and the association is responsible for maintaining the grounds; and

Whereas, In 2009, the FHA began allowing site condominium buyers in certain non-approved condominium developments to receive FHA financing so long as the development met certain criteria. This included requiring each unit to be a detached single-family unit where the entire structure is considered the condominium unit. The unit owner is also responsible for all insurance and maintenance costs of the structure; and

Whereas, The VA has not yet adopted a similar policy. The FHA's site condominium policy has been beneficial to low- and medium-income home buyers and would be beneficial to veterans as well. Allowing VA-backed loans to finance site condominiums ownership without needing condominium developments to be approved by the agency will help connect elderly and disabled veterans unable to perform day-to-day property maintenance with affordable housing in desirable neighborhoods; now, therefore, be it

Resolved by the House of Representatives, That we urge the U.S. Department of Veterans Affairs to follow Federal Housing Administration guidelines as they apply to site condominiums and view them as single-family homes as long as they meet certain criteria; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of Veterans Affairs, and the members of the Michigan congressional delegation.