

MULTI-HOUSING NEWS

INDUSTRY NEWS

Atlanta-Based Resort-Style Property Obtains FHA-Loan Approval Status

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By Erika Schnitzer, Associate Editor

Atlanta--Villa Sonoma, a 321-unit resort-style condominium, has obtained FHA-loan approval status. Since the property received approval, 50 percent of the loans have been FHA loans.

"For buyers, FHA approval of the site essentially facilitates the home purchasing process by creating relaxed conditions to obtain a mortgage," explains Collin Ellingson, senior vice president of sales, Coldwell Banker The Condo Store. "If a developer is able to secure FHA approval at a community, it typically opens up that property to a group of purchasers who might not otherwise be able to finance a home purchase."



If a property is FHA-approved, anyone who visits the property is eligible to apply for an FHA loan. However, a property must have FHA approval in order to close a loan. "Almost immediately after we obtained FHA approval, our agents on site were able to execute six contracts all through FHA," Ellingson tells *MHN*.

FHA mortgages offer more flexible qualifying guidelines for borrowers with reasonable debt-to-income ratios. Some advantages include smaller down payments required--such as 3 percent as opposed to the typical current average in declining markets of 10 percent--no minimum credit score requirement, no-income limits, competitive interest rates and no prepayment penalties.

"With the recent and frequent changes in the mortgage market nationally, the trend in traditional financing has been towards increasing down payments. In many cases, a 10 percent down payment for a first-time homebuyer is beyond their reach," Ellingson says.

Villa Sonoma offers one-, two- and three-bedroom residences, ranging from the \$130,000s to the \$220,000s. Amenities include a resort-style pool with sundeck, fitness center, pet walk area, landscaped gardens, media room and billiards room.

The community is located within Perimeter Summit, an 83-acre mixed-use development, and is within close proximity to a number of business centers and office parks.

The approval process takes approximately two to six weeks, though Ellingson notes that the turnaround time has lengthened recently because of the number of communities applying for approval. Many factors make a property eligible for FHA-loan approval status. As Ellingson explains, a property typically must fall below a certain price point and must meet a certain sales level requirement.