

# **WINTER UPDATE**

## **FHA**

### **STATUTE OF REPOSE**

By: Charles A. Perkins, Jr., Esq.



Recently, the FHA acknowledged that it was willing to modify its loan program by offering spot loans to condominium owners. However, in order to be eligible for these loans, the association would be required to complete a questionnaire such as the one we have attached hereto [https://www.perkinslawpc.com/images/FHA Condominium Loan - Approval Questionnaire.pdf](https://www.perkinslawpc.com/images/FHA_Condominium_Loan_-_Approval_Questionnaire.pdf). There are concerns with the information requested in this form and if it is not answered completely and truthfully by the association, the board could be subject to fines and in the worst case, legal prosecution. Due to the risk to the board, Perkins & Anctil, P.C., joins others in the industry by respectfully suggesting that members of the board and managers presented with this form defer to the lender to complete the information requested. This matter may be moot in any respect because companies who perform certification of documentation for spot loans feel that the documentation required for a spot loan is redundant and currently many of these organizations are not willing to undertake this additional paperwork.

In another matter, both at the Federal and State level, the courts have determined that the Statute of Repose does not begin running with respect to a phased condominium until the final phase documents have been recorded with the Registry of Deeds. Both of these rulings reflect a substantial change in how litigation against a developer is viewed in Massachusetts.

The Massachusetts Legislative Action Committee has also sponsored a Bill (a copy of which is also attached hereto) [https://www.perkinslawpc.com/images/Bill - An act relative to construction defect claims by condominium owners .pdf](https://www.perkinslawpc.com/images/Bill_-_An_act_relative_to_construction_defect_claims_by_condominium_owners_.pdf), which attempts to address this situation. However, at this time no action has been taken and this Bill has not been brought to any vote.

Please feel free to contact Charles A. Perkins, Jr., Esq., with any questions you may have regarding either of these matters.