



ANNOUNCEMENT

Updates to Condo/Co-op Insurance Requirements

Citi Correspondent Lending is updating policy related to condo/co-op project insurance requirements as outlined below, effective with new loan registrations on/after April 18, 2025.

- **Non-Agency transactions** (Non-Agency Jumbo, HomeRun, Special Purpose Credit Program with HomeRun loan plan) – The existing requirement for inflation guard coverage is being expanded to allow any of the following options:
 - Inflation Guard, or
 - Guaranteed Replacement; or
 - Extended Replacement; or
 - If the above is not obtainable, documentation of recasting of the insurance that demonstrates an increase in coverage of not less than 2% year over year.
- **Agency transactions** – Inflation guard coverage remains a requirement, if it can be obtained in the insurance market available to the association.

Note: The required coverage amount remains 100% of the insurable value. Insurable value is defined as replacement cost value of the project improvements as of the current property insurance policy effective date, including common elements and residential structures.

Related policy updates to the Correspondent Manual will be included with an upcoming bulletin / manual section updates.

Contact your Client Services Consultant or Senior Loan Specialist
with any questions.



04/17/2025