

FOOD PAGE 1

## DINNER ON YOU

Here's a list of holiday restaurant specials in South Florida



LOCAL & STATE PAGE 3

## Broward dentist gets life in prison in shooting death

SPORTS PAGE 1

## Hyde: Dolphins get a reality check in loss

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## Fannie Mae to share condos 'blacklist'

Some are ineligible for loans, but can appeal

By Ron Hurtbise  
South Florida Sun Sentinel

Federal loan guarantor Fannie Mae will make its secret "blacklist" of condos it will not finance available to condo associations and unit owners next year. Its counterpart Freddie

Mac, meanwhile, will roll out new guidelines by early 2024 that will enable condos ineligible for financing to appeal their status.

The guarantors provide financing for 70% of home loans in the country. Typically, lenders write home loans and sell them to one

of the two guarantors while continuing to collect mortgage and escrow payments.

In April the Orange County (Calif.) Register revealed the existence of a spreadsheet that Fannie Mae distributed to lenders called "Condo Unavailable Projects and Phases Report" that lists hundreds of condominiums that do not qual-

ify for financing from the agency.

The list is not meant to be distributed to third parties and is headed by the term, "Fannie Mae Confidential and Proprietary — Subject to Non-Disclosure Obligations."

The list has become longer over the year, as Fannie Mae amassed infor-

mation from condominiums about the status of needed structural repairs, reserves, lawsuits, special assessments and other issues.

Between April and October, the list grew from about 1,700 to 2,306 properties, and 34% are located in Florida, according to the law firm Allcock & Marcus, headquartered in Massachusetts

with an office in Florida, which says it obtained the list from a third party who got it from a lender.

Associations and unit owners typically learn only that their properties are on the list after identifying potential buyers and then submitting applications for

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EVAN VUCCI/AP

## Finding common ground

President Joe Biden shakes hands with Ukrainian President Volodymyr Zelenskyy as they meet in the Oval Office of the White House in Washington on Tuesday. Republicans are insisting on strict U.S.-Mexico border security changes in exchange for Ukraine aid. See stories in Nation & World, Page 3

## Athletic association sanctions Monarch over transgender volleyball player

By Scott Travis  
South Florida Sun Sentinel

The Florida High School Athletic Association sanctioned Monarch High on Tuesday because a transgender student played on its varsity volleyball team, a violation of a state law championed by Gov. Ron DeSantis.

The association is fining the Coconut Creek school \$16,500, according to a letter sent Tuesday to the high school's interim principal, Moira Sweeting-Miller.

The student at the center of the controversy has been banned from playing on any of the association's participating sports teams — which are nearly all high school sports teams in Florida — through Nov. 20, 2024. That's a year after the potential violation was identified.

The state and athletic association say the student's participation on a varsity girls' volleyball team violates a state law passed in 2021 that bans anyone born male from competing on girls athletic teams.

Equality Florida, an LGBTQ rights group, weighed in on the controversy Tuesday during a media briefing in front of the school district headquarters in Fort Lauderdale.

"So now we are punishing student-athletes and wasting money on fines that could be used to support our schools and our students," Jennifer Solomon, parents and families support manager for Equality Florida, told reporters at the event.

The \$16,500 fine is based on a penalty of \$500 per

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## Senate scraps plan to end school recess, but other reforms advance

By Leslie Postal  
Orlando Sentinel

third graders pass a reading test to move on to fourth grade.



## Senate

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the state reading test to be promoted to fourth grade, if that is what their parents thought was best.

Sen. Corey Simon, R-Tallahassee, the sponsor of the bill (SB7004), said the goal was to encourage schools to provide reading help to struggling youngsters well before third grade, give parents more say in their child's education and make sure schools were not hurting teenagers' futures by requiring the passing of high-stakes tests.

He rejected the idea that it was a move to lower standards.

"Nothing could be further from the truth," he said.

The proposals, however, have prompted objections from Bush, his influential education foundation and some other conservative groups, and it is not clear yet whether they will have the support of House leaders or Gov. Ron DeSantis.

The bill "reinstates the option for social promotion," or the moving of students to the next grade because they are a year older, not because they met academic standards, said Nathan Hoffman, senior legislative director for the Foundation for Florida's Future, Bush's group.

It also "significantly waters down the value of the diploma," he said.

Florida's current laws, adopted as part of Bush's A+ Plan for Education, have improved academics in Florida, as measured by test scores and graduation rates, Hoffman said.

"This is why we can't take our foot off the gas," he said.

The conservative group Moms for Liberty also raised objections.

"It seems like we are removing accountability," said member Jamie Merchant, adding that "removing standards" means schools will "continue to promote struggling students."

But Republicans in the Senate have pushed and supported the measures, and two committees have now approved them.

Senate President Kathleen Passidomo introduced



Parents in Lake County and other Central Florida counties pushed for their school districts to mandate daily recess and then later took the issue to the Florida Legislature, which passed a recess law in 2017. The Florida Senate last month proposed deleting that mandate but has backed away from that idea. **TOM BENITEZ/ORLANDO SENTINEL FILE**

the proposals in a memo she sent to senators last month that was titled "Learn Local — Cutting Red Tape, Supporting Neighborhood Public Schools."

The idea, she said, was that after the Legislature expanded school choice (HB 1) this year, making many more children eligible for private-school scholarships, it should look in its 2024 session to remove regulations on public schools, which serve the bulk of the state's students.

In the memo she called the ideas "bold," "controversial" and, she conceded, ones that might "not make it across the finish line."

Many of the Senate's suggestions have broad support from school superintendents, administrators, teachers and parents. Representatives from the Broward, Orange and Seminole county school districts all showed their support Tuesday, for example.

Simon noted that Florida's new standardized test, FAST, is a "progress-monitoring" exam given several times a year starting in pre-kindergarten.

"We're able to find those students much earlier on in the process," he said, making the current third-grade rule unnecessary.

The state's high-stakes high school exams can limit options for students who might want to enter the military after high school or enroll in technical programs but cannot without a diploma, Simon added.

"We're holding back a whole generation of kids," he

said.

But deleting the state's requirement that elementary schools offer 20 minutes of recess a day made many parents unhappy, and they let Simon know it.

In response, last week Simon proposed an amendment to his bill that would leave the recess mandate unchanged. The fiscal policy committee approved that at its Tuesday meeting.

In 2017 state lawmakers passed a law requiring elementary schools to provide 20 consecutive minutes of "unstructured, free-play recess" a day.

Simon said he proposed altering that requirement to give school districts the flexibility to set their own recess rules.

But that prompted lots of objections from those who'd pushed for the state recess law because so many schools had done away with recess, even for their youngest students. Recess advocates, who called themselves "recess moms," said young children need a chance to run around, and that recess benefits both their academics and mental health.

"It gives them that break they need and allows them to focus better," said Angie Gallo, an Orange County School Board member who pushed for the recess mandate and urged the Senate not to undo what their colleagues adopted six years ago.

"We're thrilled that Sen. Simon took the language out of the bill," Gallo said. "We're pleased he listened to the recess moms."

## Condos

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mortgage loans to lenders, who check to see if their property is on the list. If the guarantors won't finance a mortgage, the seller is left to find an alternative lender or another buyer who will pay cash.

Unlike Fannie Mae, Freddie Mac does not distribute a "blacklist" but designates properties that are ineligible for financing on a web app used by lenders. The two guarantors don't use the same data but likely assign similar criteria, said Orest Tomaselli, president of CondoTek, a Philadelphia-based company that provides technology services to lenders.

Fannie and Freddie faced "a lot of pressure to be transparent," Tomaselli said. "Homeowners and condo associations did not know what to do when they found out they were on the list. No financing means property values plummet."

After learning of Fannie Mae's list, Alcock & Marcus and other entities, including the trade group Community Associations Institute, began asking Fannie Mae to make the list public. They argued that condo associations deserved to know whether they were on the list so they could figure out how to be removed.

Last week both Fannie Mae and Freddie Mac said they plan to introduce tools next year that will enable associations to easily find out whether their properties meet the guarantors' criteria for financing, and if not, why.

Fannie Mae's tool, a searchable database to be made available to associations and condo owners, will be online in the third quarter of 2024, according to an email from the Federal Housing Finance Agency, which controls the two guarantors.

Freddie Mac will introduce enhancements late this year and in early 2024 that provide "greater certainty" as to whether a loan to finance a condo unit meets Freddie Mac's guidelines,

**"We don't want to use the blacklist as an opportunity to smear condos and devalue them. The idea is for them to find out and take action."**

— Alcock & Marcus managing partner Edmund Alcock

the email said. The enhancements "will also allow homeowners associations greater clarity with respect to their project's eligibility process, as well as introduce a new appeal process when projects are determined to be ineligible," it added.

According to guidelines published last week on Freddie Mac's website, information on how authorized condo association representatives can inquire about their condominium's status will be posted by Feb. 26.

The FHFA, the email said, "supports a transparent process that provides visibility for loan originators and the homeowners associations responsible for managing and maintaining condo projects."

Tomaselli said in an interview that he was "blown away" by Freddie Mac's announcement. A closer look at new guidelines by the guarantor indicate that beginning in February it will warn condominium associations before they become ineligible, then work with them to correct problems, he said.

While the June 2021 collapse of the Champlain Towers South in Surfside is credited as leading to tougher lending standards by the guarantors, Tomaselli said the closer looks have been "a long time coming."

"There are real problems in a lot of condo buildings," he said. "Whether they haven't maintained reserves properly or they haven't done needed repairs, that's impacting Joe and Mary Homeowner."

Alcock & Marcus declined the South Florida Sun Sentinel's request for a copy of the latest Fannie Mae blacklist it obtained, saying if such a list is published, it would likely reduce the value of

impacted condominiums.

For that reason, executives of the law firm they supported Fannie's and Freddie's plan to provide information to condominiums on a case-by-case basis rather than release lists of ineligible condos to the public.

The law firm currently operates a webpage — [amcondolaw.com/resources/fannie-mae-blacklist/](http://amcondolaw.com/resources/fannie-mae-blacklist/) — where condominiums and unit owners can submit their information to find out whether their property has been designated ineligible for financing by Fannie Mae.

"We don't want to use the blacklist as an opportunity to smear condos and devalue them," managing partner Edmund Alcock said by email. "The idea is for them to find out and take action."

Among the actions condominium associations can take is hiring Alcock & Marcus to help them resolve identified issues and petition Fannie Mae to be removed from the list, said partner Jake Marcus.

Here are several of the issues that Fannie Mae uses to identify a condominium as ineligible for financing, according to Alcock & Marcus:

- Inadequate reserves
- Inadequate insurance
- Too many delinquencies
- Too much commercial space
- Structural or construction issues
- Outstanding special assessments
- Too many rentals

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