NEXA Lending

REALTOR GUIDE · UPDATED NOV 2026

The Condo Financing Guide

Warrantable or not? What listing agents should gather before going live, what buyer's agents should check before writing an offer, and how Fannie Mae, Freddie Mac, FHA, VA and USDA treat each kind of building, including the big 2026 rule changes.

Call James (512) 228-8124 | Email James

WHAT CHANGED AND WHAT MATTERS MOST

1. **Conventional condo reviews got stricter and simpler at the same time in 2026.** Fannie Mae's Limited Review and Freddie Mac's Streamlined Review are gone for applications dated on or after **Aug 3, 2026**. Most attached projects now need a full review. Detached condos and projects of **2–10 units** skip the project review, unless a 5–10 unit project is part of a master association.
2. **Reserves go from 10% to 15%.** For conventional applications dated on or after **Jan 4, 2027**, the HOA budget must put at least 15% of assessment income into replacement reserves. HOAs that budget 10% to 14% today will fail after that date.
3. **The conventional 50% investor-concentration test is retired for established projects** (it used to block investment-property loans when fewer than half the units were owner-occupied). New projects still need 50% of units sold or under contract to primary or second-home buyers. FHA still requires 50% owner-occupancy for project approval.
4. **Critical repairs and special assessments are the #1 conventional deal-killer.** For Fannie Mae and Freddie Mac, unfunded repairs over $10,000 per unit within 12 months, a failed safety inspection, or an evacuation order make the building ineligible until the work is done.
5. **FHA did not follow the 2026 conventional changes.** FHA keeps its own 50% owner-occupancy, 10% reserve and 15% delinquency tests. Check the public FHA and VA lists before you list or write an offer. Fannie Mae and Freddie Mac have **no public approved list**; the lender reviews the project.

1 Listing agent checklist: gather this before you list

Tick items off as you collect them. Your progress saves in this browser. Hand the package to the buyer's lender on day one and condo deals close on time.

HOA documents

- [ ] **Lender condo questionnaire from the HOA or management company**
  Know who completes it, the fee and the turnaround. Lenders use their own form or Fannie Mae Form 1076. FHA single-unit approvals use HUD-9991.
- [ ] **Recorded declaration/CC&Rs, bylaws, rules and all amendments**
  Look for rental caps, minimum lease terms, a right of first refusal, short-term-rental rules and leasehold land.
- [ ] **State resale certificate or disclosure package**
  For example, the Texas condo resale certificate (Property Code §82.157) or Colorado HOA disclosure documents. Order it early.
- [ ] **Current approved budget, plus year-end and year-to-date financials**
  Underwriters calculate reserves from the budget, not from the bank balance.

Budget, money and occupancy

- [ ] **Replacement-reserve line is at least 10% of assessment income (15% from Jan 4, 2027)**
  Divide the budgeted reserve contribution by budgeted assessment income. Below the minimum, the project is non-warrantable unless a qualifying reserve study passes.
- [ ] **No more than 15% of units are 60+ days late on dues or on any special assessment**
  This applies to Fannie Mae, Freddie Mac and FHA. Each special assessment is measured separately.
- [ ] **Special assessments: purpose, total, balance remaining, payoff date**
  An assessment for a critical repair can make the building ineligible. Decide who pays the unit's share at closing.

- [ ] **Reserve study (date, funding plan, recommended contribution)**
  If the budget is short, a reserve study can help. The budget must include the study's highest recommended contribution, and the "baseline" funding method no longer counts.
- [ ] **Last 12 months of board minutes**
  Minutes show repairs, lawsuits, insurance problems and planned assessments before the lender finds them.

- [ ] **Owner-occupied vs. rented unit count**
  FHA project approval needs at least 50% owner-occupancy (75% in a 2–4 unit project). A loan in an already-approved FHA project needs 35%. New conventional projects need 50% sold to primary or second-home buyers.
- [ ] **Largest single owner (any person or company owning several units)**
  Conventional: no more than 20% (Fannie Mae) or 25% (Freddie Mac) of units in a 21+ unit project, or 2 units in an 11–20 unit project. FHA: no more than 10% (20+ units) or 1 unit per owner (under 20 units).
- [ ] **Commercial square footage (mixed-use buildings)**
  Retail, offices, hotel or rental apartments over 35% of the building is ineligible for conventional and FHA. FHA allows up to 49% only by exception.

Insurance

- [ ] **Master policy declarations page**
  Replacement-cost coverage on the buildings (roofs no longer have to be replacement cost). Deductible no more than 5% of the building coverage.
- [ ] **Per-unit deductible, if any**
  Conventional maximum is $50,000 per unit (applications on or after July 1, 2026). If there is one, the buyer needs an HO-6 that covers it.
- [ ] **Does the master policy cover unit interiors ("all-in") or bare walls?**
  Tells the buyer what HO-6 coverage they need and what it will cost.
- [ ] **General liability (at least $1 million per occurrence) and fidelity/crime coverage**
  Fannie Mae requires fidelity coverage for projects over 20 units. Neither is required when the project review is waived.
- [ ] **Flood zone and master flood policy**
  Buildings in a FEMA Special Flood Hazard Area need a master flood policy. Get the FEMA map, LOMA or elevation certificate.

Building condition and legal

- [ ] **Structural or mechanical inspection reports from the last 3 years**
  Fannie Mae and Freddie Mac underwriters must read them. Any critical repair, evacuation order or failed safety inspection makes the project ineligible until it is fixed.
- [ ] **Repairs needed in the next 12 months**
  Unfunded repairs over $10,000 per unit due within 12 months make the project ineligible for Fannie Mae and Freddie Mac. Common items: balconies, garages, roofs, elevators, waterproofing, facades.
- [ ] **Litigation or pre-litigation (arbitration or mediation)**
  If the HOA is a party to a suit, the project is usually ineligible for conventional unless the matter is minor (insured, non-monetary, dues collection, or under 10% of reserves). Arbitration and mediation count too.
- [ ] **FHA and VA approval status, with the expiration date**
  FHA approvals last 3 years and can be recertified from 6 months before to 6 months after expiration; after that, a full re-review is needed. If expired, note "FHA single-unit approval may be possible."
- [ ] **Short-term rental rules, rental pools, front desk, mandatory club memberships**
  Hotel-like operations and mandatory outside memberships make a project ineligible. Freddie Mac also rejects HOAs licensed or registered for short-term rentals, and FHA rejects documents that allow leases under 30 days.
- [ ] **New construction: phase completion, presales, developer control, certificate of occupancy**
  New projects carry presale and completion tests. Developer-owned units and leases count toward single-entity limits.

Green flags

- ✔ Reserves budgeted at 15% or more, plus a recent reserve study
- ✔ Under 5% of units delinquent on dues
- ✔ No special assessments, or only routine ones
- ✔ Current FHA and VA approvals
- ✔ Recent clean structural inspection
- ✔ Master policy with replacement cost and a modest deductible
- ✔ Mostly owner-occupied, no big single owner

Red flags

- ✕ HOA named in a lawsuit (especially construction defect)
- ✕ Special assessment for structural, balcony, roof or garage repairs
- ✕ Reserves under 10% of the budget
- ✕ Over 15% of units 60+ days late
- ✕ Front desk, rental pool, nightly rentals, “resort” in the name
- ✕ Over 35% commercial space in the building
- ✕ One investor owns a big block of units
- ✕ Insurance non-renewed, or a huge wind/hail deductible

60-second warrantability self-check

Answer what you know. “Yes” answers flag issues to raise with James before listing or writing an offer.

- ☐ DEAL-KILLER Is the HOA a party to a lawsuit, arbitration or mediation (other than collecting dues)?
- ☐ DEAL-KILLER Are more than 15% of units 60+ days late on dues or a special assessment?
- ☐ DEAL-KILLER Are there critical or structural repairs pending, an evacuation order, or repairs over $10K per unit due within 12 months?
- ☐ DEAL-KILLER Does one person or company own more than 20% of the units (or more than 2 units in an 11–20 unit project)?
- ☐ DEAL-KILLER Is more than 35% of the building commercial (retail, office, hotel or rental apartments)?
- ☐ DEAL-KILLER Does it operate like a hotel: front desk, rental pool, nightly rentals, or use limits on owners?
- ☐ DEAL-KILLER Must owners pay dues to an outside club or golf course, or is there a recreational lease?
- ☐ REVIEW Is the reserve contribution under 10% of the budget (15% for applications on or after Jan 4, 2027)?
- ☐ REVIEW Is there any special assessment (even a paid one) or a big dues increase coming?
- ☐ REVIEW Does the master policy have a per-unit deductible over $50K, no replacement-cost coverage, or no flood policy in a flood zone?
- ☐ REVIEW Is it new construction or a conversion with fewer than 50% of units sold?
- ☐ REVIEW Is the FHA or VA approval missing or expired (and your buyer may use FHA or VA)?

Answer the questions above to see a quick read.

The self-check is a screening tool, not a project approval. Thresholds are the Fannie Mae and Freddie Mac standards; FHA and VA differ (see Section 3).

2 Building types: what changes from one condo to the next

The same buyer can get an easy approval in one building and a flat "no" next door. Here's why.

Detached / "site" condo

EASIEST

WHAT LENDERS CHECK

No shared walls, roofs, floors or breezeways. Fannie Mae waives the project review, and Freddie Mac exempts detached units.

WATCH FOR

HOA dues still count in the buyer's debt-to-income. The HOA master policy (if any) still has to meet insurance rules.

BEST PATH

Conventional is straightforward. FHA: a true site condo (all detached, owner insures and maintains everything but landscaping) needs no FHA approval. USDA: approval may not be required. VA: project approval may still be needed. Verify

2–4 unit condo (condo-ized duplex or fourplex)

WAIVED REVIEW

WHAT LENDERS CHECK

Fannie Mae waives the project review and Freddie Mac exempts it. Freddie Mac allows at most one commercial unit.

WATCH FOR

Often self-managed with no real budget, no reserves and one shared insurance policy.

BEST PATH

Conventional is best. FHA single-unit approval needs 5+ units, so FHA needs project approval, with 75% owner-occupancy and no units behind on dues.

Small project (5–10 units)

NEW IN 2026

WHAT LENDERS CHECK

Since Mar 18, 2026: no project review for Fannie Mae or Freddie Mac if the project is **not part of a master association**. Insurance rules still apply.

WATCH FOR

If it is inside a master association, it needs a Full Review. Freddie Mac still requires no critical repairs or evacuation orders.

BEST PATH

Conventional is often the fastest path. FHA single-unit approval allows at most 2 FHA loans in projects under 20 units.

Garden / low- and mid-rise (11+ units)

FULL REVIEW

WHAT LENDERS CHECK

Full Review: budget and reserves, 15% delinquency test, single-entity limit, litigation, insurance, critical repairs.

WATCH FOR

Thin reserves, old roofs and parking lots, investor-heavy buildings, missing FHA approval.

BEST PATH

Conventional after the lender's review. FHA or VA if the project is on the approved list (or FHA single-unit approval).

High-rise

EXTRA SCRUTINY

WHAT LENDERS CHECK

Everything in a Full Review, plus engineering and inspection reports for elevators, facades, balconies, garages, roofs and life-safety systems.

WATCH FOR

Large special assessments, high master premiums and wind deductibles, dues that push debt-to-income over the limit, post-Surfside inspection findings. FHA has no matching critical-repair rule, but it still reviews special assessments and HOA finances.

BEST PATH

Read minutes and inspection reports before listing. Ask James to pre-review the building.

High-rise with commercial / mixed-use

COMMERCIAL ≤ 35%

WHAT LENDERS CHECK

Commercial space must be 35% or less of the project **or the building**, above and below grade. Rental apartments and hotels count as commercial. Commercial parking is excluded.

WATCH FOR

Hotel or apartment floors in the same tower. An HOA earning over 10% of its income from a restaurant, spa or club (Fannie Mae). Commercial over 25% in a flood zone may need extra insurance.

BEST PATH

Get the recorded site plan and square footage. FHA allows up to 49% commercial only by exception, and the commercial and residential sides must be financially independent. Non-QM if over the limit.

Condo-hotel / condotel / rental pool

NON-WARRANTABLE

WHAT LENDERS CHECK

Ineligible for Fannie Mae, Freddie Mac, FHA and USDA: front desk, rental pools (even voluntary ones for Fannie Mae), nightly rentals, use restrictions, hotel management, "hotel" or "resort" in the name. Freddie Mac also rejects HOAs registered for short-term rentals.

New construction & conversions

PRESALES

WHAT LENDERS CHECK

Conventional: at least 50% of the project or legal phase sold or under contract to primary or second-home buyers, and the phase substantially complete. A project stays "new" until 90% of units are sold for Fannie Mae (75% for Freddie Mac). FHA: complete project with a certificate of occupancy and at least 30% owner-occupancy.

WATCH FOR

Red flags: units under 400 sq ft, no full kitchen, 75%+ investor or second-home owners, connecting doors, resort amenities.

BEST PATH

Non-QM condotel programs with a bigger down payment and higher rate. Verify current terms with James.

WATCH FOR

Builder incentives over agency limits, unfinished phases, developer still in control, non-gut conversions of 5+ units (Fannie Mae PERS review).

BEST PATH

Ask the builder which approvals exist (FHA, VA, Fannie Mae PERS or lender review) before you write the contract.

3 Agency comparison: Fannie Mae vs. Freddie Mac vs. FHA vs. VA vs. USDA

Project-level rules for attached condos as of Nov 16, 2026. Lender overlays may apply. Verify means the agency doesn't publish a comparable number, or we couldn't confirm it from an official source. James confirms these for each file.

Rule	Fannie Mae	Freddie Mac	FHA	VA	USDA
Who approves the project?	Lender Full Review in Condo Project Manager (CPM). Fannie Mae PERS for some conversions. Established projects approved by HUD (HRAP) may be accepted.	Lender review (Established or New project) in Condo Project Advisor. Can rely on a Fannie Mae or FHA approval (reciprocal review).	HUD project approval (HRAP or lender DELRAP), valid 3 years. Or Single-Unit Approval for one unit. True site condos need no approval.	VA project approval. Projects approved by HUD/FHA or USDA are generally added to the VA list without another review. Verify	No USDA approval. Must be approved or accepted by HUD/FHA, VA, Fannie Mae or Freddie Mac; the lender may certify using that agency's standards. Verify
No-review shortcut	Waiver for detached units, 2–10 unit projects (5–10 not in a master association), and Fannie-to-Fannie limited cash-out refis.	"Exempt From Review" for detached units and 2–4 unit projects, plus 5–10 unit projects not in a master association.	Site condos: no approval needed. Otherwise Single-Unit Approval is the workaround.	Relies on HUD/FHA or USDA approval when one exists. Verify	Site condos may not need approval. Verify
When is a project "established"?	90% of units sold, project complete, HOA turned over. Otherwise it is "new."	75% of units sold, project complete, owners control the HOA.	Uses its own existing vs. new-construction rules.	—	Follows the approving agency.
Owner-occupancy	Established: no test (the 50% investor-concentration limit for investment loans was retired 3/18/2026). New projects: 50% sold or under contract to primary or second-home buyers.	Same: retired for established projects (Bulletin 2026-C). New projects: 50% presale to primary or second-home buyers.	Project approval: 50% (30% for complete new construction; 35–49% by exception for 12+ month old projects with 10% or fewer units in arrears). Loan in an approved project: 35%. Single-Unit Approval: 50%. 2–4 unit projects: 75%.	No published percentage. Verify	Follows the approving agency.
Single-entity limit	21+ units: 20%. 11–20 units: 2 units. 5–10 in a master association: 2 units.	21+ units: 25%. 11–20 units: 2 units. 5–10 in a master association: 2 units.	20+ units: 10%. Under 20 units: 1 unit per owner.	No published test. Verify	Follows the approving agency.
Commercial space	35% or less of the project or of the building it is in.	35% or less. 2–4 units: no more than 1 commercial unit.	35% or less. Up to 49% by exception. Commercial and residential must be financially independent.	Mixed-use projects must disclose the nonresidential share. No published cap. Verify	Follows the approving agency.
Reserves	At least 10% of assessment income, rising to **15%** for applications on or after 1/4/2027. A reserve study can substitute (highest recommended contribution; no baseline funding).	Same: 10%, rising to **15%** on 1/4/2027. Reserve study allowed on the same terms.	At least 10% of 12 months of assessments, or an acceptable reserve study (no more than 36 months old).	No published test. Verify	Follows the approving agency.
Dues delinquency	15% or fewer of units 60+ days late (dues and each special assessment).	15% or fewer of units 60+ days late (dues and each special assessment).	15% or fewer of units 60+ days in arrears (10% under the owner-occupancy exception; none in 2–4 unit projects).	No published test. Verify	Follows the approving agency.
Critical repairs / litigation	Ineligible: critical repairs, evacuation orders, failed safety inspections, unfunded repairs over $10K per unit. Litigation, including pre-litigation, unless minor.	Ineligible: same critical-repair rules. Litigation, including arbitration or mediation, unless minor.	No matching critical-repair rule; special assessments must be documented. No pending litigation naming the sponsor about safety or structure, and no uninsured litigation exposure.	Reviewed with the legal documents. Verify	HOA or sponsor litigation makes the project ineligible. Verify
Condo-hotel / short-term rentals	Ineligible, including voluntary rental pools.	Ineligible, including HOAs licensed or registered for short-term rentals.	Ineligible. Documents may not allow initial leases under 30 days.	Ineligible. Verify	Ineligible. Verify
FHA-insured loan cap	—	—	Approved project: FHA may suspend above 50% FHA-insured. Single-Unit Approval: 10% of units	—	—

Rule	Fannie Mae	Freddie Mac	FHA	VA	USDA
			(20+ unit projects) or 2 FHA loans (under 20 units).		
Public approved list?	**No.** CPM is lender-only. James checks it. **About CPM**	**No public list.** Condo Project Advisor is lender-only. **About Condo Project Advisor**	**Yes**: HUD condo lookup **is.gd/kStlu1**	**Yes**: VA condo report **is.gd/eeRfcv**	**No.** Use the FHA or VA lists, or ask James. **USDA Ch. 12**

4 Buyer's agents: common condo financing problems and how to avoid them

Warrantable

The project meets Fannie Mae and Freddie Mac standards (budget, reserves, delinquency, ownership, insurance, no critical repairs or litigation, not hotel-like). Buyers get standard conventional pricing with as little as 3–5% down for owner-occupants (program limits apply).

Non-warrantable

The project fails one or more tests, so conventional (and often FHA and VA) is off the table. The buyer can still finance, usually with a non-QM or portfolio loan that requires more down and a higher rate. Learn it early, not at the appraisal.

"It's warrantable, right?"

"Warrantable" means the project meets Fannie Mae and Freddie Mac standards, so a lender can sell the loan. Nobody can promise that until the lender reviews this project for this loan date. A building that passed last year can fail today.

Fix: Send James the project name and HOA contact **before** you write the offer. Ask the listing agent for the questionnaire if they already have one.

Thin budget and reserves

A reserve line under 10% of the budget (15% for applications from 1/4/2027) makes the project non-warrantable for conventional loans. FHA also requires 10%.

Fix: Ask for the reserve study. A study can work if the budget includes its highest recommended contribution (no baseline funding). Otherwise plan for FHA/VA (if approved) or non-QM.

Special assessments

The lender must know why each assessment exists. If it pays for a critical repair that isn't finished, the building is ineligible for conventional loans. The buyer's share also counts in debt-to-income.

Fix: Get the purpose, amount, balance and payoff date in writing. Negotiate who pays it at closing. If the repair is done, get the engineer's sign-off.

HOA delinquencies

If more than 15% of units are 60+ days behind on dues or on any special assessment, the conventional and FHA reviews fail.

Fix: Check the questionnaire on day one. A building near 15% can tip over during escrow.

Insurance gaps and price spikes

Master policy without replacement-cost coverage, deductible over 5%, per-unit deductible over $50K, no flood policy in a flood zone, or a non-renewal. Rising premiums also raise dues, which hurts debt-to-income.

Fix: Get the master policy declarations page early. If there is a per-unit deductible, the buyer's HO-6 must cover at least that amount. Quote it during the option period.

Investors, rentals and big owners

Conventional established projects no longer have an investor-concentration limit, but single-entity limits still apply. FHA still needs 50% owner-occupancy. Freddie Mac rejects HOAs registered for short-term rentals.

Fix: Ask the HOA for the owner-occupancy count and the largest owner's unit count. Read the rental rules.

Litigation

If the HOA is a party to a lawsuit (especially construction defect), the project is usually ineligible for conventional unless the case is minor, insured or a dues collection. Arbitration and mediation count too.

Fix: Ask the HOA attorney or manager for a short letter describing the case. James decides if it qualifies as minor.

Expired FHA or VA approval

FHA approvals expire after 3 years, and many HOAs never renew. VA requires its own approval, though it generally accepts projects already approved by HUD/FHA or USDA. Verify

Fix: FHA Single-Unit Approval may work: 5+ units, 50% owner-occupied, unit CO at least 1 year old (or occupied), FHA loans capped at 10% of units (2 loans under 20 units), and an automated approval or a manual underwrite at 90% LTV or less. Many lenders don't process single-unit approvals, so ask early. HOA recertification timelines vary. Verify

Appraisal surprises

Appraisers lean on sales inside the same project and competing buildings. High dues, special assessments and hotel-like features hurt value or trigger extra review.

Fix: Give the appraiser recent in-project sales and the special-assessment facts. Price to in-building comparables.

Timelines and questionnaire fees

Management companies set their own fees and turnaround times for questionnaires, budgets and insurance certificates, and documents often arrive after the option period ends.

Fix: Order everything on day one of the contract. Verify the fee and turnaround with the management company.

Deal-saver timeline

1. **Before the offer**
   Get the project name. Check the FHA and VA lists. Send James the HOA or management contact. Ask the listing agent for the questionnaire, budget and insurance.
2. **Day 1 under contract**
   Order the lender questionnaire, budget, financials, master insurance, minutes and the state resale certificate.
3. **Option / due-diligence period**
   James completes the project review. Flag reserves, assessments, litigation and insurance issues while the buyer can still walk.
4. **Before the appraisal**
   Confirm the project is warrantable (or approved by FHA or VA). Switch to non-QM early if needed. Don't wait for the underwriter to find it.
5. **Closing**
   HO-6 bound (including the per-unit deductible), assessment payoffs settled, HOA transfer fees and dues prorated.

When the building is non-warrantable: options

Conforming non-warrantable programs

Some wholesale lenders now offer conventional programs for non-warrantable condos, for example up to 90% LTV with a 680+ credit score and a full project review. DTI limits and project tolerances vary. Verify

Non-QM non-warrantable loans

For buildings that fail one or two agency tests. Commonly about 75–80% LTV (20–25% down), priced above agency rates, with a full project review and larger reserves. Verify

Condotel and DSCR programs

Condotels commonly run about 65–75% LTV (25–35% down). Investor buyers can qualify on rent with DSCR loans, but condo rules vary by lender, and some don't finance non-warrantable condos at all. Verify

Portfolio and bank loans, or cash

Some banks keep non-warrantable condo loans on their books. A cash purchase followed by a later refinance only works if the project becomes warrantable.

5 Approved condo lookups

Only FHA and VA publish public approved lists. Fannie Mae and Freddie Mac approvals are checked by your lender. Send James the project name and address and he'll check all five.

FHA (HUD)

PUBLIC

Search approved condos by state, city, ZIP or name. Set Status to "Approved." Expired or rejected projects may still qualify for Single-Unit Approval.

HUD condo page · Single-Unit Approval documents

Search FHA list →

is.gd/kStlu1

VA

PUBLIC

VA Condo Report search: enter the condo name or ID, the regional office and the state. Projects already approved by HUD/FHA or USDA are generally added to VA's list without another review.

VA lender quick guide · 38 CFR 36.4360

Search VA list →

is.gd/eeRfcv

Fannie Mae

LENDER-ONLY

Condo Project Manager (CPM) is not public. James can check a project's status (Approved, Certified, Unavailable) and run the review.

Waiver of project review · Ineligible projects

About CPM →

is.gd/81KlgI

Freddie Mac

NO PUBLIC LIST

Freddie Mac has no public approved list. Lenders review projects in Condo Project Advisor and may rely on a Fannie Mae or FHA approval.

Guide chapter 5701 · Condo FAQ

About Condo Project Advisor →

is.gd/DFrTTY

USDA

USES OTHER LISTS

No USDA list. A unit qualifies if the project is approved or accepted by HUD/FHA, VA, Fannie Mae or Freddie Mac; the lender certifies it (HB-1-3555, Chapter 12).

USDA handbook Ch. 12 →

is.gd/zUxMua

6 Latest guideline changes (dated)

JAN 4, 2027

Upcoming: reserve minimum rises to 15%

For conventional applications dated on or after Jan 4, 2027, the HOA budget must put at least 15% of assessment income into replacement reserves (up from 10%). FHA stays at 10%.

Fannie Mae LL-2026-03 (is.gd/vcPnCg) Freddie Mac Bulletin 2026-C (is.gd/gFe04i)

NOV 10, 2026

FHA Handbook update: procedural only

Handbook 4000.1 Update 18 (issued Aug 12, 2026; mandatory Nov 10) made only procedural condo edits: a new email or self-service-portal step when a Single-Unit Approval case number goes to "Holds Tracking," and a reference to FHA's existing free-assumability rule. FHA's condo standards did not change.

HUD Update 18 (is.gd/FhZn57) HUD Handbook 4000.1 (is.gd/o42Rv2)

NOV 4, 2026

Fannie Mae allows ADUs in condo projects

A condo unit with one accessory dwelling unit is no longer treated as an ineligible "multi-dwelling unit" (SEL-2026-10).

SEL-2026-10 (is.gd/JKPlba) B4-2.1-03 (is.gd/OTpLEl)

AUG 5, 2026

Fannie Mae Selling Guide updated

SEL-2026-07 added the March changes to the Selling Guide. The Full Review topic is now B4-2.2-01.

SEL-2026-07 (is.gd/5KlhT9) B4-2.2-01 Full Review (is.gd/SnimwO)

AUG 3, 2026

Limited and Streamlined reviews retired

Established projects need a full review (or the 2–10 unit or detached waiver). Reserve studies must carry the highest recommended contribution, and the baseline funding method no longer counts. Fannie Mae's remaining Florida restrictions ended with Limited Review.

Fannie Mae LL-2026-03 (is.gd/vcPnCg) Freddie Mac FAQ (is.gd/CBd67l)

JUL 1, 2026

Per-unit deductible and HO-6 rules

A master policy per-unit deductible can be up to $50,000. When there is one, the buyer must carry an HO-6 at least equal to it, covering the same perils. HO-6 deductible max is the greater of 5% or $2,500.

Fannie Mae B7-3-03 (is.gd/M8CVSc) Freddie Mac Bulletin 2026-C (is.gd/gFe04i)

MAY 26, 2026

Faster FHA single-unit case numbers

FHA INFO 2026-10 (May 20): projects with "Expired" or "Rejected – Register SUA" status now get case numbers automatically. Eligibility rules did not change.

FHA INFO messages (is.gd/bSqBLj)

MAR 18, 2026

Fannie Mae and Freddie Mac condo overhaul

Waiver and exemption expanded to 2–10 unit projects. The 50% investor-concentration limit was retired for established projects. Florida-specific requirements for new projects were dropped. Master policies may now insure roofs at actual cash value, and the inflation-guard requirement is gone.

Fannie Mae LL-2026-03 (is.gd/vcPnCg) Freddie Mac Bulletin 2026-C (is.gd/gFe04i)

SEP 18, 2023

Critical-repair rules made permanent

Fannie Mae and Freddie Mac made their post-Surfside rules permanent: critical repairs, special-assessment review, inspection reports within 3 years, and the $10K-per-unit unfunded repair limit.

Fannie Mae SEL-2023-06 (is.gd/6t0isq)

OCT 13, 2021

Post-Surfside temporary rules

After the Champlain Towers South collapse, Fannie Mae issued temporary condo requirements on deferred maintenance and special assessments.

Fannie Mae LL-2021-14 (is.gd/7mAHJX)

Listing or showing a condo?

Call James before you go live or write the offer. He'll check FHA and VA status, review the budget, insurance and questionnaire, and tell you whether the project is warrantable.

Call James (512) 228-8124 **Email James**



James Barnes
Senior Loan Officer · Nexa Lending
Call (512) 228-8124
jbarnes@nexalending.com · **NMLS# 215987**
BestLenderinTexas.com · BestLenderinColorado.com
Apply online

NEXA Lending

Sources (official guides and announcements, reviewed November 16, 2026)

1. Fannie Mae Lender Letter LL-2026-03 (Mar 18, 2026): is.gd/vcPnCg
2. Fannie Mae SEL-2026-07 (Aug 5, 2026): is.gd/5KlhT9
3. Fannie Mae SEL-2026-10 (Nov 4, 2026): is.gd/JKPlba
4. Fannie Mae B4-2.1-01 General Information on Project Standards: is.gd/Np5iEg
5. Fannie Mae B4-2.1-02 Waiver of Project Review: is.gd/mlOVSr
6. Fannie Mae B4-2.1-03 Ineligible Projects (11/04/2026): is.gd/OTpLEl
7. Fannie Mae B4-2.2-01 Full Review: is.gd/SnimwO
8. Fannie Mae B4-2.2-02 New and Newly Converted Projects: is.gd/7V0aTz
9. Fannie Mae B7-3-03 Master Property Insurance: is.gd/M8CVSc
10. Fannie Mae SEL-2023-06 (Jul 5, 2023): is.gd/6t0isq
11. Fannie Mae LL-2021-14 (Oct 13, 2021): is.gd/7mAHJX
12. Freddie Mac Bulletin 2026-C (Mar 18, 2026): is.gd/gFe04i
13. Freddie Mac Guide Chapter 5701: is.gd/wy1FYM
14. Freddie Mac Condo Unit Mortgage FAQ: is.gd/CBd67l
15. HUD Handbook 4000.1 Update 18 (Aug 12, 2026): is.gd/FhZn57
16. HUD Handbook 4000.1: is.gd/o42Rv2
17. HUD FHA Condominiums: is.gd/oxg9Kh
18. FHA Single-Unit Approval documents list: is.gd/TqjE9Q
19. FHA INFO 2026-10: is.gd/bSqBLj
20. Federal Register: FHA condo project approval rule (Aug 15, 2019): is.gd/ZcP5O4
21. 38 CFR 36.4360 (VA condominium loans): is.gd/AWhs8T
22. VA Condo Report search: is.gd/eeRfcv
23. VA condo approvals quick guide: is.gd/VyI0Md
24. USDA HB-1-3555 Chapter 12: is.gd/zUxMua

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