GUIDE · LENDING RULES

Fannie Mae & Freddie Mac Guide for COAs

Updated November 2026

You may never deal with Fannie Mae or Freddie Mac directly, but their rules help decide whether a buyer can get a regular loan in our building. That touches every owner who wants to sell or refinance someday. Here's what they are, what lenders look at, and what changed this year.

> **This is news and general information, not legal or financial advice. Rules change often, so check with your lender for your own situation.**

THE BASICS

Who are Fannie Mae and Freddie Mac?

They buy loans, they don't make them

Fannie Mae and Freddie Mac don't lend money to home buyers. Banks and mortgage companies do. Then most of those regular ("conventional") mortgages get sold to Fannie Mae or Freddie Mac, which frees the lender up to make more loans.

Because lenders want to be able to sell the loan, they follow Fannie and Freddie's rules. For condos, those rules look at the whole building, not just the unit being bought.

APPROVED OR NOT

"Warrantable" and "non-warrantable" buildings

When a building meets the rules

- Buyers can usually get a regular loan.
- Down payments and interest rates are the normal ones.
- Selling and refinancing go more smoothly.

When a building doesn't

- Buyers get pushed to "non-warrantable" loans.
- Those usually mean bigger down payments and higher interest rates.
- Fewer buyers can qualify, which can slow sales and affect prices.

Fannie Mae can also mark a building “unavailable,” which makes it much harder for buyers to get a regular loan there.

THE CHECKLIST

What lenders look at in a condo building

When someone buys or refinances, the lender usually sends the association or manager a condo questionnaire. The answers cover things like these:

- **Budget and reserves.** Is the association saving enough for big repairs like roofs and siding?
- **Insurance.** Does the master policy cover the building, and how big is the deductible?
- **Unpaid dues.** Are a lot of owners behind on their assessments?
- **Lawsuits.** Is the association involved in any litigation?
- **Big repairs and safety.** Are there serious repairs or safety issues that haven’t been handled?
- **Who owns the units.** Does one person or company own a large share of the units, or is part of the building commercial space?

Exact limits depend on the loan type and change over time. Your lender can tell you which ones apply.

WHAT’S NEW

What changed in 2026

Here’s the timeline, as reported by the sources linked under each date.

March 18, 2026

Freddie Mac adopted the same reserve, roof, and $50,000 deductible rules as Fannie Mae.

Source: Condo Approval: 2026 updates

July 1, 2026

A $50,000 per-unit cap on master-policy deductibles took effect.

Source: Condo Approval: Fannie Mae LL-2026-03

August 3, 2026

Freddie Mac retired its quick “Streamlined Review” for loan applications dated on or after this day. In buildings over 10 units, most sales and refinances now get a full look at the budget, reserves, insurance, and any litigation.

Source: Condo Approval: 2026 updates, Eclipse Community Management

January 4, 2027

Association budgets must put at least 15% of assessment income into reserves, up from 10%, unless a current reserve study supports a different amount. Buildings that fall short can be marked “unavailable.”

Source: Condo Approval: Fannie Mae LL-2026-03

YOUR PART

What you can do

If you’re on the board

- **Keep the reserve study current.** The new rule allows a different reserve amount when a current reserve study supports it.
- **Look at the reserve line in the budget.** Compare it to the new 15% standard before the next budget is set.
- **Know the master policy deductible.** Ask the insurance agent how it compares to the $50,000 per-unit cap.
- **Have answers ready.** Lender questionnaires go faster when the budget, insurance, and reserve study are easy to find.
- **Deal with repairs early.** Lenders ask about big repairs and safety issues, so it helps to have a plan in place.
- **Get help when you need it.** A community manager, insurance agent, or Oregon attorney can help with your building’s details.

If you’re an owner

- **Ask your lender early.** If you plan to sell or refinance, ask whether our building is approved before you start.
- **Read the budget.** Look for how much goes into reserves each year.
- **Ask the board.** Questions about reserves or insurance are welcome, and they help everyone.
- **Check your HO-6 policy.** Ask your agent how it lines up with the master policy deductible, and about loss-assessment coverage.

KEEP LEARNING

More for owners

The COA Decoded

The base training for every condo owner, in seven short video chapters.

Take a look →

Condo Ownership 101

A short guide with a picture of what you own, a quiz, and a lender handout.

Read the guide →

Oregon Quarterly

Seasonal news for Oregon condo owners, including lender rule updates.

See the latest issue →

Sources

- Condo Approval: Fannie Mae Lender Letter LL-2026-03 summary
- Condo Approval: Fannie Mae and Freddie Mac condo guidelines, 2026 updates
- Eclipse Community Management: 2026 Fannie and Freddie condo requirements

We gather the news and link to where it came from. This isn't legal, insurance, or money advice, and we're not telling you what any rule means for your building or your loan. Rules change, and every situation is different. For your own questions, check the original sources and our governing documents, or talk with your lender, an insurance agent, or an Oregon attorney. We're not connected with Fannie Mae or Freddie Mac, and this guide isn't from them.