Will your condo still be financeable in 2027?

Conventional condo lending rules are changing through early 2027. Some loosened, but overall scrutiny **increased significantly** - and warrantability is what keeps a project sellable at full value. Here is what changes, when, and what to do now.

July 1, 2026
Insurance changes
Roof ACV allowed, inflation guard removed, $50K max per-unit deductible, HO-6 required in more cases.

August 3, 2026
Limited review eliminated
Full underwriting of HOA financials on every conventional condo loan. More docs, more scrutiny, more delays.

January 1, 2027
15% reserves (was 10%)
A 50% increase in required annual reserve funding - based on budgeted allocation, not what's accumulated.

CATEGORY	BEFORE	AFTER
Reserve contribution	10% of budget	**15% of budget** (eff Jan 1, 2027)
Review process	Limited review allowed	**Eliminated - full review** (eff Aug 3, 2026)
Reserve studies	Flexible funding methods	**Highest level required; baseline not allowed**
Investor concentration	50% cap for investor purchases	**Removed** (eff now, established projects)
Small project waiver	2-4 units	Expanded to 10 units
Roof coverage	Replacement cost required	Actual cash value allowed (eff Jul 1, 2026)
Inflation guard	Required	Removed
Per-unit deductibles	5% and geographic specific	$50K max - owners should carry Loss Assessment Coverage

Good news

- Investor concentration cap removed
- Roof coverage flexibility added (older roofs insurable)
- Insurance documentation options expanded

Challenges

- Higher reserves squeeze budgets (dues pressure, assessment risk)
- Full review on every deal - non-warrantable projects lose most buyers
- Coverage gaps kill deals; insurance still expensive

AGENTS
Pre-approve condo listings
Project pre-approval before listing protects price and timeline.

HOA BOARDS
Budget the 15% this fall
2027 budgets plus master-policy review with your broker - now.

MANAGERS
Prepare documentation
Full review means complete, current financial packages.

OWNERS
Talk to your board
Before fall budget season - warrantability protects resale value.

Full presentation, project pre-approvals & non-warrantable solutions

Scan for the complete industry briefing. Condo project approvals with a dedicated team, FHA spot approvals, HOA pre-approval for listing agents - and if a project is non-warrantable, expanded financing programs (owner/second/investor, full doc or alt income, individual or LLC).

https://updates.patricknorman.net/condo-financing-2026/

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