

Stay informed with these important updates to condominium guidelines for conventional loans taking effect now through 2027.



Insurance Coverage EFFECTIVE: IMMEDIATELY.

Replacement cost estimates are no longer required if policy contains Guaranteed or Expanded replacement coverage.

Roofs may now be insured on an Actual Cash Value basis.

Inflation Guard coverage no longer required.

Deductible Requirements EFFECTIVE: IMMEDIATELY; MANDATORY FOR LOAN APPLICATIONS DATED ON OR AFTER JULY 1, 2026.

Maximum allowable per-unit deductible is \$50,000 per unit.

If the master policy includes a per-unit deductible, the borrower must maintain a unit owner's property insurance policy.

Investor Concentration Limits EFFECTIVE: IMMEDIATELY.

There is no longer a limit to the amount of investor units in a project.

Project Review Waiver EFFECTIVE: IMMEDIATELY.

Projects up to 10 units will no longer require a review.

Limited Project Review EFFECTIVE: LOAN APPLICATIONS DATED ON OR AFTER AUG. 3, 2026.

The Limited Project Review type is being retired. All loans will require a Full Project Review, verification of a 10% allocation to replacement reserves.

Replacement Reserve Requirements EFFECTIVE: FULL PROJECT REVIEW LOAN APPLICATIONS DATED ON OR AFTER JAN. 4, 2027.

The minimum annual reserve allocation will increase from 10% to 15% of the association's annual budgeted income.



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