



June 15, 2026

The Honorable William J. Pulte
Director
Federal Housing Finance Agency
400 7th Street SW
Washington, DC 20219

Re: Request for a Delay in the Implementation of Fannie Mae Lender Letter LL-2026-03 and Freddie Mac Bulletin 2026-C (Condominium Project and Property Insurance Standards)

Dear Director Pulte:

On behalf of the National Association of Mortgage Brokers (NAMMB), the oldest and largest national trade association representing the mortgage broker industry, I write to respectfully request that the Federal Housing Finance Agency (FHFA) direct Fannie Mae and Freddie Mac to delay the mandatory implementation dates set forth in Fannie Mae Lender Letter LL-2026-03 and the corresponding Freddie Mac Bulletin 2026-C.

NAMMB shares the agency's commitment to the long-term financial health and physical safety of condominium communities. We recognize that these standards respond to real concerns, including deferred maintenance, chronically underfunded reserves, and the lessons of recent structural failures. We are not asking that these goals be abandoned. We are asking that the industry be given a realistic, workable transition period so the new requirements can be absorbed without disrupting the very borrowers and communities the policy is meant to protect.

Concerns Raised Across the Industry

1. The retirement of Limited Review will push sound projects into non-warrantable status.

Limited Review has long provided a practical financing pathway for projects that are fundamentally sound but cannot satisfy every element of Full Review. Eliminating it as of August 3, 2026 will move a meaningful number of established projects into non-warrantable status, shrinking the buyer pool, raising borrowing costs, and reducing lender participation in precisely the segment of the market that first-time and moderate-income buyers rely on.

2. The reserve funding increase from 10 percent to 15 percent arrives faster than associations can budget for it.

Most associations are not currently funding reserves even at the existing 10 percent floor. Reaching 15 percent by the January 4, 2027, deadline will force many boards to choose between a sizable dues increase and a special assessment, each of which strains owners on

fixed and moderate incomes. Associations set budgets on annual cycles, often a year in advance, and a single budget season is not enough time to fund the higher requirement responsibly.

3. Universal Full Review creates documentation bottlenecks that delay closings.

Routing every transaction through Full Review sharply increases the volume of material that boards, management companies, and lenders must produce and review, including budgets, reserve studies, delinquency data, meeting minutes, inspection reports, and insurance documentation. Many associations cannot assemble these packages quickly. The predictable result is longer closing timelines, localized bottlenecks, and increased transaction fallout.

4. Borrowers and real estate professionals are already operating in confusion.

The rolling, multi-date schedule means a file that qualifies in the spring may need additional documentation by summer, and a project that passes on reserves in 2026 may fail in early 2027. A 2025 Community Associations Institute survey of more than 700 board members, managers, and industry partners found that 42 percent were unsure whether their community was even eligible for federally backed financing, and that among communities already deemed ineligible, 64 percent reported the denial harmed home sales or property values. Imposing sweeping changes against that backdrop, in the middle of the peak purchase season, compounds the uncertainty for consumers who are already under contract.

The Critical Need for an Orderly Transition

A delay is essential, not cosmetic. The parties who must comply with LL-2026-03 are not the agencies, but thousands of independent condominium boards, management companies, lenders, and originators. Each needs lead time to act:

- Associations need at least one full budget cycle, and in most cases a new or updated reserve study, before they can responsibly raise reserve funding to the new threshold.
- Boards and managers need time to assemble the expanded documentation packages that Full Review now requires for every transaction.
- Lenders, mortgage brokers, and technology providers need time to retool underwriting workflows, system messaging, and disclosures so borrowers receive accurate guidance rather than last-minute denials.
- Borrowers who are currently under contract or actively shopping need certainty that the rules will not shift underneath their transaction.

Without that lead time, the near-term effect of the policy will be to reduce access to credit and depress values across the condominium market, an outcome directly at odds with the administration's stated focus on housing affordability and supply. An orderly transition allows the

same standards to take hold while protecting consumers and the broader market during the changeover.

Our Request

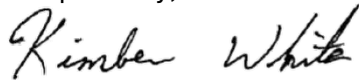
We respectfully urge FHFA to direct Fannie Mae and Freddie Mac to:

1. **Delay the mandatory dates.** Postpone the August 3, 2026 retirement of Limited Review and the related reserve-study requirements, and the January 4, 2027 increase to 15 percent reserve funding, by no less than twelve months, and align the reserve funding effective date with associations' annual budget cycles.
2. **Preserve a streamlined pathway.** Retain a streamlined review option for established, fundamentally sound projects so creditworthy borrowers in well-managed communities are not forced into non-warrantable status.
3. **Consolidate the timeline.** Phase in the expanded documentation and Full Review requirements through clear, consolidated guidance and a single, well-publicized compliance date rather than a series of rolling deadlines.
4. **Open a stakeholder feedback channel.** Establish a formal mechanism, in which NAMB would be glad to participate, to monitor the market impact of these changes before any further tightening takes effect.

NAMB and its members stand ready to serve as a resource to the agency. We would welcome the opportunity to meet with you and your staff to discuss a transition timeline that protects condominium safety and financial health while preserving access to affordable, conventional financing.

Thank you for your consideration of this request.

Respectfully,



Kimber White

President

National Association of Mortgage Brokers