Condo financing

# The rules for financing a condo just changed.

New national mortgage guidelines are reshaping how lenders evaluate every condo association's reserves, insurance, and finances — with real consequences for Sun Valley owners and buyers.

**15%** the new minimum HOA associations must save in reserves — up from 10% — **or risk losing eligibility for conventional financing** by January 2027.

### July 2026
Master insurance deductibles capped at $50,000 per unit — already in effect.

### August 2026
New underwriting guidelines apply to condo loan applications nationwide.

### January 2027
HOA reserve requirement rises from 10% to 15% of the annual budget.

## What's actually changing

### Reserves
Associations must raise reserve savings to 15% of budget by January 2027. Boards without a plan are running out of time to catch up.

### Insurance
A $50,000 per-unit deductible cap can lower HOA dues — but a bigger bill lands on owners if the building ever files a claim.

### Financing
Buildings that fall short become "non-warrantable" — higher down payments, higher rates, and a smaller pool of buyers at resale.

### Before you buy or sell a condo, request:

- ☐ HOA budget — income statement and balance sheet
- ☐ Recent HOA meeting minutes
- ☐ Master insurance policy
- ☐ CC&Rs and bylaws

Own a condo, or thinking about buying one? Let's talk about what this means for your property.

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