



## **Data Regarding FHFA's Claims on LL-2026-03: Florida-Specific Summary**

### **Why Florida Is the Most Powerful Case Study**

Florida is the only large state that has already implemented mandatory reserve requirements at the state level following the 2021 Surfside collapse, giving legislators and advocates a live, documented record of what actually happens when condo associations are forced to rapidly bring reserves into compliance. That record directly and empirically contradicts both of FHFA's claims. Florida is also home to roughly 50,100 community associations, the second-highest concentration in the nation, and approximately 1.1 million condo units statewide. It is the single most important data market for evaluating FHFA's projections.

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### **Claim #1: Fewer than 10,000 Associations Would Struggle**

#### **Florida's Pre-Existing Underfunding Problem Is the Worst in the Nation**

This is not a contested point. The industry's own leading reserve study provider confirms it. According to Will Simons, who heads Florida and Southeast operations for Association Reserves, Florida has approximately 50% more associations considered "weak" -- meaning funded at less than 30% of estimated requirements -- than any other state. Furthermore, Association Reserves estimated that one-fifth of Florida associations have 0-10% of the necessary funds set aside for major repair and maintenance costs.

(<https://warrington.ufl.edu/news/cause-effect-floridas-new-condo-law/>)

To put that in context with Florida's scale: Florida is home to about 1.1 million condo units, with 58% of them located in just eight counties -- Broward, Miami-Dade, Palm Beach, Pinellas, Collier, Sarasota, Hillsborough, and Manatee. In Miami-Dade specifically, nearly 65% of condos fall into the older, higher-risk category.

(<https://floridapolitics.com/archives/715372-as-special-session-looms-florida-policy-project-spotlights-dire-need-for-action-on-condo-assessment-crisis/>)

#### **The History of Reserve Waiver Demonstrates the Scale of the Problem**

For decades before Florida's post-Surfside legislation, Florida law legally permitted -- and most associations routinely exercised -- the ability to vote annually to waive reserve

funding entirely. Historically, associations could elect to reduce or totally waive reserves, and it was legally permissible. The practical effect of this action kept unit owner assessments lower but left the condominium underfunded or completely unfunded relative to long-term capital expenditures. (<https://gouldcooksey.com/blog/florida-condominium-reserve-laws-managing-the-new-normal/>)

This was not a fringe practice. It was the dominant practice. For decades, many associations voted to "waive" these reserves to keep monthly dues low; now, the bill for that deferred maintenance has come due all at once, leading to a wave of Florida condo special assessments that are forcing some residents to sell their homes.

([https://www.savingadvice.com/articles/2026/01/06/10712998\\_many-florida-condo-owners-are-facing-surprise-special-assessments.html](https://www.savingadvice.com/articles/2026/01/06/10712998_many-florida-condo-owners-are-facing-surprise-special-assessments.html))

FHFA's claim that fewer than 10,000 associations nationwide would struggle with the 15% requirement cannot be reconciled with the reality that a single state -- Florida alone -- already has documented, systemic underfunding across a condo market of 1.1 million units, the majority of which spent decades waiving reserve contributions entirely.

### **Fannie Mae's Own Blacklist Contradicts the Claim**

There are reportedly over 1,400 Florida condo associations that are already "blacklisted" and ineligible for financing through Fannie Mae due to reserve or repair issues. That is 1,400 associations in one state alone that have already been flagged -- before the 15% requirement takes full effect on January 4, 2027. FHFA's figure of fewer than 10,000 nationally cannot account for this trajectory. (<https://www.ksnlaw.com/blog/floridas-condo-crisis-community-association-board-members/>)

### **Condo Listings Surge Confirms the Scope**

Florida condo inventory rose from approximately 54,000 units in June 2024 to over 74,000 units in June 2025, a 37% increase. Much of this inventory growth is driven by owners listing units to escape special assessments and rising fees rather than by normal market dynamics. (<https://titlepatrol.com/resources/florida-condo-market-crisis-how-investors-use-title-monitoring-to-find-distressed-units/>)

Overall, listings for condos built more than 30 years ago have surged 56% year-over-year. These are not sellers timing a hot market. They are owners exiting assets that have become financially untenable under new reserve requirements. The scale of that exit is itself evidence of how broadly and deeply Florida associations were underfunded going into this compliance environment. (<https://floridapolitics.com/archives/715372-as-special-session-looms-florida-policy-project-spotlights-dire-need-for-action-on-condo-assessment-crisis/>)

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## **Claim #2: Monthly Dues Would Only Increase \$15-\$30**

Florida's real-world data is the single most powerful rebuttal to this claim. What FHFA projected as a modest \$15-\$30 monthly adjustment has, in Florida's actual experience, resulted in assessments and fee increases that are measured in hundreds of dollars per month per unit and, in many documented cases, in six figures per unit as lump-sum special assessments.

### **Documented Special Assessments Far Exceed FHFA's Cost Estimate**

In 2024, residents at The Cricket Club in North Miami received special assessments as high as \$134,000 per unit. At Mediterranean Village in Aventura, the numbers were even more alarming: some owners were assessed up to \$400,000. These assessments were not caused by sudden structural failure. They were the predictable result of years of deferred maintenance, uncovered by the mandated inspections now required under Florida law. (<https://buildingmavens.com/blog/florida-sirs-deadline-guide/>)

Forty percent of Florida condo owners have faced special assessments in the last three years. At that penetration rate, applied to Florida's 1.1 million condo units, over 400,000 units have already been hit with special assessments -- many of them exceeding anything FHFA's \$15-\$30 monthly estimate implies. (<https://longyield.substack.com/p/florida-housing-in-2026-bubble-normalization>)

### **Monthly HOA Fee Increases Are Multiples of FHFA's Estimate**

Monthly HOA fees in Miami-Dade high-rises jumped nearly \$500 per month in 2025, with insurance components alone averaging \$377 per month and professional management fees rising 40% or more. Some buildings now charge over \$2,000 per month in total fees.

What once cost owners \$300-\$400 monthly has, in many cases, ballooned to \$800-\$900 or more, representing a doubling or even tripling of carrying costs. (<https://zachosre.com/is-the-florida-condo-market-crashing-current-trends-buyer-opportunities-2025/>)

Even accounting for the fact that some of these increases are driven by insurance rather than reserves alone, the reserve component is substantial and independently documented. Buildings that collected \$50-\$100 per month in reserves now need \$300-\$800 per month per unit. (<https://www.propertyexemption.com/hoa/blog/florida-hoa-fees-rising/>)

This is a documented, market-wide phenomenon that directly refutes the \$15-\$30 monthly estimate as a characterization of typical impact. FHFA's figure may represent the marginal

cost of moving from 10% to 15% for a well-funded, modestly sized association. It does not represent the actual cost impact for the large share of Florida associations that were essentially starting from zero.

### **The HOA Fee Increase Has Already Damaged the Florida Condo Market**

Median condo listing prices in Florida were down 10.8% in the first half of 2025 compared to the same period in 2023. For comparison, single-family home prices saw a smaller decline of 3.6% over the same timeframe. Special assessments and rising HOA fees have become a significant burden, substantially impacting buyers' monthly expenses and the overall appeal of condos. (<https://www.noradarealestate.com/blog/florida-housing-market-forecast-2026-another-year-of-price-correction/>)

Florida's condo markets are in outright distress: 13.2 months of supply statewide, prices down 6.1% year-over-year, and 92% of major condo markets declining.

This is the economic outcome of reserve compliance on an underprepared market -- the very outcome FHFA implied would be minor and manageable. Florida's experience proves otherwise.

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### **Florida-Specific Legal Complications That FHFA's Timeline Ignores**

Florida presents a uniquely complicated picture because state law and the new FHFA requirements are in direct tension with each other in several respects. This is a critical argument for requesting an implementation delay.

#### **The Baseline Funding Conflict**

Florida law provides two legally compliant reserve funding methods: baseline funding (maintaining a near-zero cash balance) and threshold funding (maintaining a positive balance throughout the planning period). Florida's HB 913 permits baseline funding as an acceptable state-law-compliant method. However, Fannie Mae and Freddie Mac have ended that debate. Starting August 3, 2026, Fannie Mae will no longer accept baseline funding. (<https://fpat.com/fannie-mae-condo-reserve-requirements-2026-florida/>)

This creates a direct conflict: a Florida condo association can be in full compliance with Florida state law under Chapter 718 while simultaneously being deemed ineligible for GSE-backed financing under LL-2026-03. There is no provision in either the state statute or the federal guideline that resolves this conflict. Associations following state law in good faith will lose their warrantability.

It is a confusing time to serve on a Florida condo board. Boards are likely hearing two different stories about how much money to save -- one from Florida state law and the other from the new Fannie Mae condo reserve requirements.

### **SIRS and Fannie Mae Timelines Are Not Synchronized**

Florida's SIRS compliance deadlines and Fannie Mae's new reserve requirements do not align, creating a compliance gap. The Florida SIRS deadline extended 2025-2026 provision meant that most associations had until December 31, 2025, to complete their Structural Integrity Reserve Study. Associations bundling a SIRS with a milestone inspection were given until December 31, 2026.

That means some Florida associations will not legally complete their state-mandated SIRS until December 31, 2026 -- one day before the January 4, 2027 Fannie Mae reserve requirement takes effect. Those associations will have had essentially zero time to receive their study, determine the "highest recommended allocation" Fannie Mae now requires, revise their budget to reflect it, and implement it. The sequencing is physically and legally impossible without a delay.

### **HB 913's Flexibility Options Are Not Recognized by FHFA**

Florida's HB 913 allows associations to fund reserves using loans, lines of credit, and special assessments with majority owner approval, and permits a two-year pause in reserve contributions for associations that prioritize milestone-inspection repair work. This pause is available for budgets adopted by December 31, 2028.

<https://www.floridacondoalawblog.com/2025/10/29/condominium-reserves/>)

None of these alternative funding methods are recognized by LL-2026-03. An association that lawfully pauses reserve contributions under HB 913 to fund emergency structural repairs -- exactly the kind of responsible prioritization Florida's legislature intended to encourage -- will still be deemed non-warrantable under Fannie Mae's standards. The federal and state frameworks are incompatible, and FHFA has provided no mechanism to resolve that incompatibility.

### **Member Vote Requirements Create Timeline Barriers**

HB 913 requires majority approval from voting members for special assessments, loans, and lines of credit used to fund reserves. The Florida statute requires at least 14 days' written notice before a meeting where an assessment will be considered. In practice, achieving quorum, obtaining majority approval, and implementing the resulting budget changes can take 60-90 days from the date a board decides to act, and can require multiple meeting attempts if quorum is not initially achieved.

For Florida associations that have not yet finalized their SIRS and who are simultaneously trying to meet the August 3, 2026 "highest recommended allocation" deadline, this timeline is extremely tight. Many will not be able to legally comply before lenders begin applying the new standards.

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### **Florida Data Points for Congressional Letters**

The following are directly citable, source-backed figures for use in congressional correspondence:

1. **Florida has 50% more "weakly funded" associations than any other state**, per Association Reserves, the industry's leading reserve study provider. One-fifth of Florida associations have 0-10% of required reserves.
2. **40% of Florida condo owners have faced special assessments in the last three years**, with documented individual assessments ranging from \$134,000 to \$400,000 per unit -- not \$15-\$30 per month.
3. **Monthly HOA fees in Miami-Dade high-rises jumped nearly \$500/month in 2025**, with some buildings now charging over \$2,000/month in total fees. Buildings that previously collected \$50-\$100/month in reserves now need \$300-\$800/month per unit.
4. **Median Florida condo prices fell 10.8% from 2023 to mid-2025**, and 92% of major condo markets are declining -- a direct consequence of the reserve compliance burden FHFA characterized as manageable.
5. **Florida condo inventory jumped 37% from June 2024 to June 2025**, driven primarily by owners selling to escape assessments and rising fees. Listings in 30+ year old buildings surged 56% year-over-year.
6. **Over 1,400 Florida condo associations are already on Fannie Mae's ineligible list** -- before the 15% requirement and Limited Review elimination are fully in effect.
7. **Florida law and LL-2026-03 are directly in conflict** on baseline funding, alternative funding vehicles, and compliance timelines. Florida associations following state law in good faith will lose GSE eligibility without any negligence on their part. This is a legislatively created trap that Congress should address.