



The Case for Pausing Fannie Mae Lender Letter LL-2026-03: Reserve Requirement Increases and the Retirement of Limited Review

Prepared by the National Association of Mortgage Brokers (NAMB)

In Response to FHFA Announcement and Fannie Mae Lender Letter LL-2026-03 | March 18, 2026

I. Executive Summary

The National Association of Mortgage Brokers (NAMB) presents this white paper in response to Fannie Mae Lender Letter LL-2026-03 (issued March 18, 2026), which introduces two provisions that NAMB believes will cause substantial, foreseeable harm to American homebuyers -- particularly first-time buyers -- if implemented on their current timeline.

NAMB strongly supports the following provisions of LL-2026-03 and urges their prompt implementation: the easing of property insurance requirements, the removal of investor concentration restrictions, the simplification of standards for smaller projects, and the expansion of pre-sale flexibility for new construction. These are market-expanding reforms that will benefit buyers, sellers, and communities.

NAMB respectfully and urgently requests a pause on two specific provisions:

- The complete retirement of the Limited Review process for established condominium projects, effective August 3, 2026; and
- The increase of the minimum HOA reserve funding requirement from 10 percent to 15 percent of the annual budget, effective January 4, 2027.

Two core claims made by FHFA in support of these provisions are directly contradicted by independent, verifiable data:

FHFA Claim	What the Data Show
Survey of 160,000 associations found fewer than 10,000 would struggle with the 15% requirement	Independent industry data -- including analysis of 100,000+ reserve studies -- consistently shows 62-74% of associations are underfunded below the industry standard threshold. FHFA's data is proprietary and cannot be independently verified.
Monthly dues increase would be between \$15-\$30 per unit	Documented real-world compliance costs range from \$42/month for modestly sized associations at the calculation floor to \$750/month per unit in Florida, with individual special assessments reaching \$300,000 to \$1.35 million per unit in the most severe cases.

This white paper presents state-by-state evidence from nine states -- Florida, California, Texas, Utah, New York, Nevada, Colorado, South Carolina, and Ohio -- demonstrating that FHFA's claimed impact is inconsistent

with documented market realities, and that the implementation timeline creates structural compliance barriers rooted in state law that no amount of board goodwill can resolve.

II. The First-Time Homebuyer Crisis: Context for the Policy Debate

The mortgage professionals who comprise NAMB's membership work daily with the buyers most dependent on the condominium market. Before evaluating the specific provisions of LL-2026-03, policymakers must understand the market into which those provisions will land:

First-Time Homebuyer Indicator	Current Data (2025)
First-time buyer market share	21% -- lowest on record since 1981
Historical norm (pre-Great Recession)	~40% of all home purchases
Median age of first-time buyer	40 years -- all-time high
Market share contraction since 2007	50% decline
Foregone equity from 10-year ownership delay	~\$150,000 on a typical starter home
Median first-time buyer down payment	9% vs. 23% for repeat buyers

Condominiums remain the most viable and affordable entry point into homeownership in the vast majority of American markets. In California, 27 percent of households can afford the median-priced condo at approximately \$650,000, compared to only 17 percent who can afford the median single-family home at approximately \$887,000. For California first-time buyers, the condo is not a preference -- it is the only ownership option within reach.

These two provisions, operating in combination and on overlapping timelines, will force a significant share of established condo communities into Full Review, trigger mandatory reserve increases that raise monthly HOA fees, render otherwise financially sound buildings non-warrantable, and impose the greatest burden on exactly the communities most likely to house first-time and lower-income buyers: smaller, older, self-managed associations with limited administrative capacity.

III. FHFA's Data Problem: Proprietary, Unverifiable, and Contradicted

Before addressing the specific data points FHFA offered in support of its claims, it is necessary to establish the foundational evidentiary problem: FHFA's survey data cannot be independently verified. When NAMB and other stakeholders requested the underlying data from FHFA's survey of 160,000 associations, we were informed that it is proprietary.

This creates an asymmetry in which policymakers are making decisions affecting millions of homeowners and thousands of associations based on methodology the industry cannot scrutinize, challenge, or replicate. That alone is a legitimate basis for congressional inquiry -- and a compelling argument for the independent, state-by-state analysis NAMB has requested.

A. Refuting the Claim That Fewer Than 10,000 Associations Would Struggle

FHFA asserts that fewer than 10,000 of the 160,000 associations it surveyed would have difficulty meeting the 15 percent reserve requirement. Multiple independent, transparent, and verifiable data sources directly contradict this claim.

Data Source	Finding
Association Reserves -- 100,000 Reserve Study Analysis (April 2026)	Only 25.7% of associations fall in the 'strongly funded' range. 74% are below the 70%-funded threshold considered industry-standard adequate funding.
CAI -- National Survey (2025)	62% of HOAs nationwide lack fully funded reserves.
CAI -- 700+ Board Member Survey (2025)	42% of condo professionals were uncertain whether their community was eligible for GSE financing at all.
California Dept. of Real Estate -- Published Guidelines	State government document acknowledges 'most associations are currently underfunded in reserves.'
California Reserve Study Analysis (2021)	99.85% of condo associations needed more than 10% of budget for reserves -- making FHFA's floor the starting problem, not the solution.
Fannie Mae Unavailable Project List Growth Rate	Growing by 200-400 associations per month nationally -- meaning the compliance crisis is accelerating, not bounded.

If we apply the 62-74% underfunding rate from independent industry data to the condominium association universe of approximately 130,000-150,000 nationally, the number of associations that would struggle is not 10,000. It is between 80,000 and 110,000. FHFA's figure is not a rounding error. It is a category mismatch.

B. Refuting the \$15-\$30 Monthly Cost Estimate

FHFA's \$15-\$30 monthly per-unit increase estimate reflects only the marginal cost of moving from a 10 percent to a 15 percent budget allocation for an association already at the 10 percent floor. It does not account for:

- Associations operating below 10 percent -- including those that have legally waived reserve requirements annually (as Ohio law permits) or never commissioned a reserve study (as Texas, South Carolina, Ohio, and New York do not require)
- The 'highest recommended allocation' standard, which triggers when an association has a qualifying reserve study -- and which may be 20%, 30%, or higher than the 15% floor for older or underfunded buildings
- Compounding cost pressures from insurance premium spikes, structural inspection mandates, and existing state-law compliance obligations

The documented real-world data from states where reserve compliance has already been required tells a starkly different story:

State / Community	Documented Cost Reality
Florida -- Miami-Dade high-rises (2025)	Monthly HOA fees up ~\$500/month; insurance component alone averages \$377/month
Florida -- FirstService Residential client building	\$4.17 million in year-one reserve catch-up; ongoing \$750/unit/month reserve contribution
Florida -- individual special assessments	\$134,000 to \$400,000 per unit documented in multiple named communities
South Carolina -- Dockside Condominiums, Charleston	Estimated \$151 million in repairs across 112 units = ~\$1.35 million per unit
South Carolina -- Seascape Villas, Isle of Palms	Special assessments exceeding \$300,000 per unit
South Carolina -- Ocean Club, Wild Dunes	Special assessments exceeding \$125,000 per unit

State / Community	Documented Cost Reality
Colorado -- Wildflower Townhomes	Insurance premium increase of 572% in one year (from \$65,000 to \$437,000 annually)
Ohio -- documented case (cited by Association Reserves CEO)	\$27,000 roofing special assessment on a \$170,000 condo, imposed five months after purchase

FHFA's \$15-\$30 estimate may accurately describe the marginal cost for a hypothetical, well-managed, modestly sized association already at the 10 percent baseline with no deferred maintenance, no insurance stress, and no state-law compliance burden. It describes very few associations in the real markets NAMB's members serve.

IV. The Retirement of Limited Review: A Critical Misstep

The Limited Review process has served as the practical backbone of condominium financing for established properties across the United States. Under this framework, lenders could originate conforming loans in established condominium projects without requiring the full suite of HOA documentation that Full Review demands.

Limited Review was not a shortcut. It was a calibrated, risk-appropriate standard that recognized the different risk profile of established projects versus new construction or recently converted buildings. These are communities with functioning associations, documented ownership histories, and years of operating track records.

A. Full Review Failure Rates Are Not Marginal

Industry experience in South Florida -- one of the nation's largest condo markets -- demonstrates that fewer than 10% of loans submitted for Full Review receive approval and close. Under Limited Review, approvals are several times more likely.

The August 3, 2026 deadline does not phase in this change. It eliminates the entire Limited Review pathway in a single step. When a Full Review fails -- because the HOA cannot produce required documentation, because reserves fall short, or because the lender cannot obtain timely data from a self-managed association -- the buyer loses the transaction. For a first-time buyer, there is no portfolio product fallback and no jumbo alternative. The purchase fails, and the homeownership opportunity is gone.

B. Self-Managed and Smaller HOAs Face Systemic Disadvantage

A disproportionate share of affordable condominium communities are self-managed or governed by volunteer boards with limited administrative capacity. These associations often cannot produce documents in the format, detail, or timeline that Full Review requires -- not because their properties are financially distressed, but because they lack the professional management infrastructure assumed by the Full Review framework.

The retirement of Limited Review will effectively render these communities non-warrantable, not because they present elevated risk, but because they cannot navigate a bureaucratic process designed for larger, professionally managed developments. The burden falls most heavily on exactly the communities most likely to house first-time and lower-income buyers.

C. The Cascading Effect of Non-Warrantable Status

When a condominium project becomes non-warrantable, the consequences extend well beyond the immediate transaction:

- Eliminates access to conforming loans, forcing buyers toward portfolio products with higher interest rates and larger required down payments
- Reduces the buyer pool dramatically, as most first-time buyers cannot qualify for or afford non-conventional financing terms

- Suppresses property values, as limited financing options create downward pricing pressure even in financially sound buildings
- Creates instability for existing unit owners, who face difficulty refinancing or selling their homes in the affected community

D. The Compounding Timeline Problem

The retirement of Limited Review on August 3, 2026 means that by the time the reserve threshold increase takes effect on January 4, 2027, every established condo project will already be operating under Full Review standards. Any HOA caught between the 10 and 15 percent reserve threshold during the compliance window will be reviewed under the stricter standard with the higher reserve requirement approaching.

For buyers who contract on units in these communities between August 2026 and January 2027, the combined effect could produce a financing disruption they have no way to anticipate at the time of contract execution. This is a foreseeable harm to American homebuyers that NAMB urges FHFA to prevent.

V. State-by-State Impact Analysis

NAMB's state-by-state research demonstrates that FHFA's impact projections fail to account for legal frameworks, existing market conditions, and structural compliance barriers that vary dramatically across the country. The following analysis covers nine states representing the broadest range of condo market profiles, reserve law environments, and compliance challenges.

State	Key Legal Barrier	Market Impact
California	20% annual assessment cap without member vote (CC 5605(b)); 5% special assessment cap; SB 326 and SB 900 compliance consuming same budget cycle; AB 2050 pending creates 3-way standard conflict	27% of households can afford median condo; over 90% of associations saw insurance cost increases; SB 326 balcony repairs up to \$175,000/unit special assessment; Bay Area HOA fees up 30% since 2019
Colorado	HB22-1387 reserve study mandate effective Jan. 1, 2025 -- less than 18 months before LL-2026-03; internally prepared studies previously accepted; no state enforcement body; governing document caps 2-5% common; budget veto right	Condo insurance premiums doubled June 2022-June 2023; individual premium spikes up to 572%; condo prices projected to fall 10-15%; Governor Polis issued formal Roadmap to Reduce Homeowners Insurance
Florida	Baseline funding conflict with FHFA standard; SIRS/Fannie Mae deadline misalignment (Dec. 31, 2026 vs. Jan. 4, 2027); 115% assessment cap creates procedural friction	Condo prices down 10.8% (H1 2025 vs. H1 2023); 40% of owners faced special assessments in 3 years; 13.2 months supply; 1,400+ associations already on Fannie Mae unavailable list
Nevada	State's own Commission for Common-Interest Communities publicly states associations are not properly funding reserves; five-year state study cycle vs. three-year Fannie Mae lookback; 'adequate' standard exploited by boards	Nevada leads nation with 65%+ of listings in HOA communities; condo inventory up 77% in summer 2025; condo sales down 15.4% YoY; documented Las Vegas association at only 42% funded
New York	No statewide reserve study mandate; co-op governing documents require shareholder votes for major capital expenditures; Local Law 97 carbon compliance competing for same dollars and governance bandwidth	Median HOA fee over \$500/month (one of the nation's highest); LL97 adds \$268/ton fine exposure on top of reserve costs; documented \$7.7M special assessment in 37-year-old building (100-unit equivalent: \$77,000/unit)
Ohio	Annual majority vote can legally waive reserve requirements entirely (ORC 5311.081); no reserve study mandate; appellate court conflict on meaning of 'adequate'; 75% supermajority required for declaration amendment under ORC 5312.05	Documented history: special assessments exceeding 20% of unit value; \$27,000 assessment on \$170,000 condo; median condo HOA fee \$368/month rising 8% annually; home sales 24% below 2019 levels

State	Key Legal Barrier	Market Impact
South Carolina	No reserve study mandate; no minimum funding requirement; only 48-hour notice for budget meetings; pending Bill 5204 proposes 10-year phase-in -- 9x longer than FHFA's timeline	200+ coastal high-rises over 30 years old; average HOA fee \$390/month among nation's highest; Dockside Condos evacuated Feb. 2025 with \$151M repair estimate; Seascape Villas: \$300,000/unit assessments
Texas	No reserve study mandate; no minimum funding requirement; governing document vote thresholds require 60-120 days; one annual budget cycle before Jan. 4, 2027 deadline	23,000 associations starting from zero compliance baseline; reserve study provider backlog expected; no statutory workaround under Chapter 82
Utah	State requires study every 5-6 years; Fannie Mae requires within 3 years -- creating built-in non-warrantability gap; no minimum funding level; 80% of new construction HOA-governed	Condo prices down 4.2% in Salt Lake City; condo sales down 22.4% YoY; HOA fees already above national median at \$164/month; conflicts with state starter condo initiative targeting 35,000 homes by 2028

The table above is a summary. The sections below provide key findings for each state in greater depth.

A. California: Assessment Caps, Insurance Crisis, and a Three-Way Standards Conflict

California leads the nation with approximately 51,250 community associations. The state's documented compliance profile directly refutes both of FHFA's claims. Per a 2021 reserve study analysis, 99.85% of condo associations already required more than 10% of budget for reserves -- meaning the existing floor has long been inadequate, and the proposed 15% floor still understates the real funding need for most California associations.

California Civil Code Section 5605(b) caps regular assessment increases at 20% without a member vote -- and special assessments at 5% of annual budgeted gross expenses without approval. Many underfunded California associations cannot legally comply with LL-2026-03's timeline without a member vote they may not be able to obtain, particularly in communities already experiencing insurance-driven fee increases. For associations with deed-restricted affordable units under AB 572, the annual cap is 5% plus cost of living, not to exceed 10%.

California associations are simultaneously managing SB 326 balcony inspection obligations, SB 900 expanded component requirements, and a wildfire-driven insurance crisis that has affected over 90% of associations with cost increases. The administrative and professional capacity required to satisfy all of these obligations before January 4, 2027 is beyond what many self-managed California associations can realistically execute.

B. Florida: The Most Documented Case Against FHFA's Claims

Florida is home to approximately one-fifth of all condominium units in the United States, making it the single most consequential state market for evaluating FHFA's projections. It is also the only large state that has already implemented mandatory reserve requirements, providing a live record of what actually happens when condo associations are forced to rapidly bring reserves into compliance.

According to Association Reserves, Florida has approximately 50 percent more 'weakly funded' associations than any other state. One-fifth of Florida associations have 0-10 percent of required reserves. This is not a marginal problem -- it is a structural crisis decades in the making, driven by the now-prohibited practice of annually waiving reserve requirements.

Florida's LL-2026-03 compliance conflict is uniquely acute because state law and the new FHFA requirements are directly incompatible in several respects. Florida's HB 913 permits baseline funding as a state-law compliant method. Fannie Mae explicitly does not accept baseline funding beginning August 3, 2026. An association in full compliance with Florida law will simultaneously fail GSE eligibility. The SIRS compliance deadline of December 31, 2026 -- for associations bundling milestone inspections -- leaves zero time between study completion and the January 4, 2027 reserve requirement effective date.

C. Texas: No Infrastructure, No Timeline

Texas has no statutory reserve study requirement and no minimum reserve funding requirement under either Chapter 82 (condominiums) or Chapter 209 (property owners associations). Many Texas associations are

entering the market for professional reserve services for the first time simultaneously with associations in other states -- competing for a finite supply of qualified reserve study specialists while simultaneously trying to meet a federal lending deadline.

Texas condo associations operate under a single annual budget cycle. For associations beginning the compliance process in mid-2026, there is realistically one opportunity to identify the gap, commission a reserve study, receive results, revise the budget, notify members, and hold any required member votes -- before January 4, 2027. Many associations will not complete this sequence in time through no fault of their own.

Texas is also among the states whose condo associations are central to the state's housing affordability strategy. The state's condo market has grown substantially in recent years, particularly in Dallas-Fort Worth, Houston, and Austin, where condominiums serve as primary entry-level housing for the working population. LL-2026-03's reserve requirements will land on a market with no existing compliance infrastructure and no transition mechanism.

D. Additional State Findings: Common Threads

Across Utah, New York, Nevada, Colorado, South Carolina, and Ohio, NAMB's research identified the following recurring patterns that are collectively incompatible with FHFA's characterization of the compliance burden as narrow and financially modest:

- State reserve study cycles (five to six years in Utah and Nevada; no mandate in South Carolina and Ohio) are materially longer than Fannie Mae's three-year lookback requirement, creating structural non-warrantability for associations that are fully state-law compliant
- Annual waiver mechanisms in Ohio (ORC 5311.081) legally permit associations to contribute zero to reserves with majority owner approval -- a systemic pathway to the very underfunding FHFA's requirement is designed to address
- Supermajority amendment thresholds (75% in Ohio; various in other states) make it impossible for boards to override governing document assessment caps within the compliance window, regardless of board intent
- Compounding regulatory obligations -- Local Law 97 in New York, SB 326 in California, SIRS in Florida, balcony inspection requirements in multiple states -- compete with reserve compliance for the same finite board capacity, budget authority, and professional services supply
- State condo markets where underfunding is most severe -- South Carolina's coastal inventory, Ohio's association-dense affordable housing market, Nevada's HOA-dominated Las Vegas market -- are experiencing market distress that will be amplified, not introduced, by LL-2026-03's reserve requirements on the current timeline

VI. What Responsible Implementation Looks Like

NAMB is not asking FHFA, Fannie Mae, or Freddie Mac to abandon the goals reflected in LL-2026-03. NAMB strongly supports structural integrity, sound reserve management, and the long-term financial health of condominium communities. We are asking for the time and data necessary to implement these changes responsibly.

The following requests reflect the minimum steps necessary to prevent foreseeable harm to American homebuyers while preserving FHFA's ability to advance legitimate structural safety and financial soundness objectives.

Request 1: Pause the Retirement of Limited Review Pending Impact Analysis

NAMB respectfully requests that FHFA delay the August 3, 2026 effective date for the retirement of the Limited Review process until a quantitative analysis has been completed of:

- The volume of condo loans currently originated under Limited Review versus Full Review, segmented by loan size, borrower income, and first-time buyer status

- The projected share of established condominium communities that will fail to achieve Full Review approval due to documentation limitations, not financial distress
- The geographic distribution of that impact, with particular attention to markets where Limited Review has historically been essential to condo financing access
- The availability and affordability of non-conventional financing alternatives for first-time buyers whose condo purchase would fail under Full Review

In the alternative, NAMB requests that FHFA evaluate whether a modified Limited Review pathway -- with targeted enhancements to address specific risk factors -- can be retained for established projects with a lower documentation risk profile.

Request 2: Pause the 15 Percent Reserve Threshold Pending State-by-State Analysis

NAMB respectfully requests that the January 4, 2027 effective date be delayed until FHFA has completed a state-by-state analysis examining:

- The current reserve funding levels of existing condominium associations, including the share operating at or near the existing 10 percent floor
- The interaction between the proposed 15 percent GSE threshold and existing state-law reserve requirements, particularly in Florida and California, where SIRS mandates, SB 326 obligations, assessment caps, and insurance requirements create overlapping obligations
- The projected increase in monthly unit owner costs required to achieve 15 percent compliance, and the corresponding impact on market-rate sales activity and first-time buyer access
- The number and geographic distribution of established condo projects that would lose warrantable status due to the 15 percent threshold, and the resulting impact on unit owners' ability to sell or refinance

NAMB further requests that FHFA make public the methodology and data behind its survey of 160,000 associations. An impact claim of this magnitude -- one that affects millions of American homeowners -- must be based on verifiable, independently replicable data, not proprietary information the affected industry cannot scrutinize.

Request 3: Publish Clear Transition Guidance

For the period between now and any revised effective dates, NAMB requests that Fannie Mae and Freddie Mac publish:

- Clear, practical lender guidance on how to conduct Full Review for established projects previously eligible for Limited Review, including documentation standards and acceptable substitutes where HOA records are unavailable
- A policy statement addressing how lenders should handle transactions in projects currently compliant at 10 percent reserves but approaching the proposed 15 percent threshold
- An explicit commitment that no previously warrantable project will lose warrantable status on January 4, 2027 without a defined cure period during which the HOA can develop a compliant reserve funding plan

Request 4: Expedite Implementation of the Welcomed Provisions

NAMB urges Fannie Mae and Freddie Mac to move promptly to operationalize the insurance relaxation, investor concentration removal, small-project simplification, and PERS pre-sale waiver provisions so that the market-expanding benefits of LL-2026-03 reach buyers as quickly as possible -- independent of any reconsideration of the two contested provisions.

VII. Conclusion

The March 18, 2026 announcement reflects genuine commitment by FHFA, Fannie Mae, and Freddie Mac to expanding homeownership opportunity and addressing the insurance affordability crisis. NAMB shares that commitment absolutely. We have fought for years to protect the broker channel's ability to serve first-time buyers, underserved communities, and the borrowers for whom homeownership is not a given -- it is an aspiration.

The two provisions identified in this white paper do not expand the homeownership toolkit. They narrow it -- at precisely the moment when first-time buyers need more options, not fewer. The data from Florida, California, Texas, Utah, New York, Nevada, Colorado, South Carolina, and Ohio demonstrate, consistently and from independent sources, that:

- The number of associations that would struggle with the 15 percent requirement is not 10,000 -- it is the majority of the nation's approximately 130,000-150,000 condo associations
- The monthly cost impact is not \$15-\$30 -- it ranges from three to fifty times that estimate for the associations that are most underfunded and most in need of transition support
- The timeline does not allow for orderly state-law compliance -- in nine states representing the full range of condo market types, legal barriers rooted in state statute or governing documents make the January 4, 2027 deadline functionally impossible for a material share of associations to meet

NAMB does not oppose the long-term goals reflected in these provisions. We oppose their implementation on the current timeline, without the data-driven analysis needed to ensure that the cure is not worse than the disease. We respectfully and urgently request that FHFA pause the retirement of Limited Review and the increase in the reserve funding threshold, commission the impact analyses described in this white paper, and engage with NAMB and the broader mortgage professional community before these changes take effect.

The condominium market is the last major source of affordable entry-level housing in most American metro areas. NAMB urges policymakers to protect it.

Appendix: Key State Legal Barriers Reference

The following reference table summarizes the primary state-law provisions that prevent rapid reserve compliance in each state reviewed. This table is intended to assist congressional staff and legislative counsel in evaluating the legal dimensions of NAMB's requested implementation delay.

State	Reserve Study Mandate	Minimum Funding Req.	Assessment Increase Barrier	State-Federal Conflict
California	Yes (every 3 yrs)	No minimum %	20% regular / 5% special cap without vote	AB 572 affordable unit cap (5% + CPI)
Colorado	Yes (eff. Jan. 2025)	No minimum %	Common governing doc caps of 2-5%; CCIOA budget veto right	HB22-1387 legal status disputed; no state enforcement body
Florida	Yes (SIRS, 3-yr)	Yes (SIRS structural items)	115% cap on assessments	Baseline funding prohibited by Fannie Mae but permitted by HB 913

State	Reserve Study Mandate	Minimum Funding Req.	Assessment Increase Barrier	State-Federal Conflict
Nevada	Yes (5-yr cycle)	'Adequate' -- undefined	None statutory; budget ratification (14-30 day window)	5-yr state cycle vs. 3-yr Fannie Mae lookback; 'adequate' vs. 'highest recommended'
New York	No	No ('reasonable' only)	Co-op shareholder vote required for major capital expenditures	Pending S7600/A8945 creates 30-yr projection standard vs. 15% Fannie Mae floor
Ohio	No	No (annual waiver permitted)	75% supermajority to amend declaration (ORC 5312.05); waiver override impossible	ORC 5311 waiver mechanism directly conflicts with LL-2026-03 warrantability
South Carolina	No	No	Governing documents; 48-hr notice only	Pending Bill 5204: 10-yr phase-in vs. FHFA's 10-month window
Texas	No	No	Governing document vote thresholds	No state framework at all; associations starting from zero
Utah	Yes (5-6 yr cycle)	No minimum %	Governing document thresholds	5-6 yr state cycle vs. 3-yr Fannie Mae lookback creates gap

About NAMB

The National Association of Mortgage Brokers (NAMB) is the voice of the mortgage industry, representing the interests of mortgage professionals and homebuyers across the United States. NAMB works to promote the highest standard of ethics and professional conduct within the mortgage origination industry, to protect consumer choice and housing finance access, and to ensure that mortgage broker professionals can serve the widest possible range of borrowers on equal terms with any other origination channel.

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