Fannie Mae

Guide Update 26-16: Insurance

Effective: 07/06/26

Summary of Changes

Primary Audience: Insurance

HIGHLIGHTS
Effective for Mortgage Loans placed under application on or after July 6, 2026 and for insurance policy renewals on or after September 22, 2026, updated various insurance requirements in: • Part II, Chapter 5: Property and Liability Insurance; and • Part V, Chapter 4: Asset Management: Loan Document Administration.

Primary Changes

Updated:

- Part II, Chapter 5: Property and Liability Insurance to:
  - remove the A.M. Best Financial Size Category VII requirement for insurance carriers, while retaining the A- or better standard; and
  - clarify requirements for:
    - private flood insurance maximum deductibles; and
    - terrorism coverage amounts; and
- Part V, Chapter 4: Asset Management: Loan Document Administration, removing the requirement for:
  - an A.M. Best Financial Size Category VII rating for renewal policies; and
  - immediate replacement coverage solely because a carrier is downgraded below B++.

Questions

Please contact drawer_insurance@fanniemae.com with any questions.