2026 Mortgage Updates

In 2026, several important updates have been made to mortgage programs that may create new opportunities for homebuyers, homeowners, veterans, and investors. Here are some of the key changes:

FHA MORTGAGE

Increased Loan Limits

- The 2026 FHA loan limit for a one-unit property in most areas increased to $541,287.
- Higher-cost areas may have limits up to $1,249,125.
- Limits vary by county and property type.

New Credit Scoring Options

- FHA is moving forward with the use of VantageScore 4.0 and FICO 10T, in addition to traditional credit scoring.
- The newer models can consider additional credit information and may provide opportunities for some borrowers who previously had difficulty qualifying.

VA MORTGAGE

No Loan Limits for Full Entitlement Borrowers

- Veterans with full entitlement can now borrow without a maximum loan limit, provided they meet the lender's requirements. For those with partial entitlement, loan limits are based on the county's conforming loan limit.

VA IRRRL Opportunities

- Eligible veterans may be able to refinance an existing VA mortgage through a streamlined Interest Rate Reduction Refinance Loan (IRRRL).
- Generally, no appraisal or traditional income qualification is required, although lender requirements and VA net-tangible-benefit rules apply.

CONVENTIONAL MORTGAGE

Higher Conforming Loan Limits

- The 2026 baseline conforming loan limit increased to $832,750 for a one-unit property.
- The limit can reach $1,249,125 in designated high-cost areas.
- This allows more borrowers to qualify for conventional financing before needing a jumbo loan.

New Credit Scoring Models

- Fannie Mae and Freddie Mac are beginning implementation of VantageScore 4.0 and FICO 10T.
- The changes could provide additional opportunities for borrowers whose credit profiles may not be fully reflected by older scoring models.

REVERSE MORTGAGE

Higher HECM Lending Limit

- The 2026 FHA HECM maximum claim amount increased to $1,249,125.
- Homeowners age 62+ may be able to access a portion of their home equity without a required monthly mortgage payment.*
- The amount available depends on age, home value, interest rates and other factors.

JUMBO, INVESTOR & NON-QM MORTGAGES

More Alternatives to Traditional Qualification

- Jumbo loans are non-conforming loans that exceed the conforming loan limits ($832,750). There are now available mortgages using banks statements, and other alternative financing.
- DSCR HELOC’s and Closed End Seconds are available for Investment properties without needing tax returns.

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