THE ADU COUNT

Fannie Mae's Nov 4 condo change, and how many ADUs its UAD 3.6 policy allows.

THE ONE IDEA

Count what's there by Fannie's table. Then decide, and support, one unit or two.

ADU COUNT BY PROPERTY (FANNIE MAE UAD 3.6 POLICY SUPPLEMENT, PUBLISHED NOV 4, 2026, SB2-3-04)

PROPERTY	ADUs ALLOWED
One-unit principal residence, not in a condo project	Up to three
One-unit principal residence in a condo project	One
Two-unit principal residence	Up to two
Three-unit principal residence	One
Four-unit, mixed-use, second home, investment property, co-op unit	None
Manufactured home: one-unit, single-section (excludes MH Advantage)	One
Manufactured home: multi-section or MH Advantage, one / two / three-unit	Up to 3 / 2 / 1
Manufactured home in a condo or co-op	None

CONDO + ADU

A condo unit with one ADU is eligible when the ADU: "is expressly permitted by the condo project's governing documents (e.g., covenants, conditions, and restrictions)"; is on the same parcel as the condo unit; secures the same loan, under the same security instrument; and "cannot be separately sold, financed, transferred, or owned apart from the primary condo unit." "The presence of an ADU must not create commercial, mixed-use, or any other characteristic that would render the condo project ineligible."

Fannie Mae Selling Guide B2-3-04 (11/04/2026); Announcement SEL-2026-10 (Nov. 4, 2026): "Lenders may take advantage of this update immediately."

WHAT IS AN ADU

"The ADU must provide for living, sleeping, cooking, and bathroom facilities and be on the same parcel as the primary dwelling." "It is not considered an ADU if it can only be accessed through the primary dwelling or the area is open to the primary dwelling with no expectation of privacy."

Fannie Mae UAD 3.6 Policy Supplement, SB2-3-04, Accessory Dwelling Units

SCORE YOUR CALLS

Call 1: C. One. The supplement's row: one-unit principal residence in a condo project, one ADU allowed. Up to three is the row for a one-unit principal residence not in a condo project.

Call 2: B. A separate meter, a distinct postal address and the legal ability to rent it independently are indicators it may be a two-unit. You determine and support the classification in highest and best use.

YOUR ADU CHECKLIST

- [ ] The count matches the supplement's table for this property type and occupancy.
- [ ] Condo: the project documents expressly permit the ADU (ask your client if you don't know).
- [ ] Units Excluding ADUs and Accessory Dwelling Units are both filled in (zero if none).
- [ ] Each ADU has its own Unit Interior: legally rentable, data source, typical for market, access, postal address.
- [ ] The ADU's living area is not in the primary dwelling's finished above-grade area.
- [ ] Meters, addresses or rental rights noted, and your one-unit or two-unit support is in highest and best use.

ONE UNIT OR TWO?

How the new report counts units and ADUs, and what Fannie asks you to support.

HOW THE NEW REPORT COUNTS (APPENDIX F-1, URAR REFERENCE GUIDE V1.4)

NO FORM NUMBERS

"Using the new UAD, data - not a form number - drives the property type."

Appendix F-1 v1.4, Key Concepts: Defining the Property

UNITS AND ADUs

Units Excluding ADUs (3.005): "A single-family property (with or without an ADU) is reported as 1 unit in this field." Accessory Dwelling Units (3.006): "Enter zero (0) if there are no ADUs on the property." The project's count goes in Total Units (18.006) in Project Information, "and not here."

Appendix F-1 v1.4, 3.005, 3.006

EACH ADU

The Unit Interior section repeats for each living unit or ADU, with: ADU (Yes or No), Legally Rentable, Data Source, Typical for Market, Ingress/Egress, Separate Postal Address. Fannie: "When reporting the living area of an ADU, it should not be included with the finished above-grade square footage calculation of the primary dwelling."

Appendix F-1 v1.4, 10.011 to 10.016; Fannie Mae UAD 3.6 Policy Supplement, SB4-1.3-05

ONE UNIT OR TWO (FANNIE MAE UAD 3.6 POLICY SUPPLEMENT, SB4-1.3-05)

THE SIGNS

"Indicators that a property may be a two-unit property include separate utility meters, distinct postal addresses, and the legal ability to rent the units independently. As part of the highest and best use (HBU) analysis, the appraiser must determine and support the property's compliance with the applicable classification."

SB4-1.3-05, Accessory Dwelling Units

THE REPORT

When there are ADUs, the report "must describe the ADU(s) and analyze their impact on the subject property's value and marketability" and "demonstrate that the market recognizes and accepts the ADU designation and does not treat the property as a two- to four-unit property."

SB4-1.3-05, Accessory Dwelling Units

ONE ILLEGAL ADU

A narrow exception: the illegal use conforms to the neighborhood and the market; the property is appraised on its present use; the report states the use does not comply with zoning; and it shows the improvements are typical "through an analysis of at least two comparable sales with the same non-compliant zoning use," with "a total of three settled sales" at a minimum. "This exception does not apply to properties that contain multiple illegal ADUs."

SB4-1.3-05, Zoning for an ADU

A NOTE FOR YOUR CLIENT (COPY AND SEND)

"The subject is a condo unit with an accessory dwelling unit. Fannie Mae's Selling Guide (B2-3-04) requires that the ADU be expressly permitted by the condo project's governing documents. Can you send the CC&Rs, or confirm that the project documents permit it, before I complete the report?"

This is Fannie Mae's rule. Freddie Mac has its own guide: check it on a Freddie loan.

SOURCES

Fannie Mae Selling Guide Announcement SEL-2026-10 (Nov. 4, 2026). Fannie Mae Selling Guide B2-3-04, Special Property Eligibility Considerations (11/04/2026). Fannie Mae Selling Guide Supplement: Uniform Appraisal Dataset (UAD) 3.6 Policy (published Nov. 4, 2026): SB2-3-04 Accessory Dwelling Units; SB4-1.3-05 Accessory Dwelling Units, Zoning for an ADU, Condo Projects with Units that Include ADUs. Fannie Mae and Freddie Mac, Appendix F-1, URAR Reference Guide v1.4: Key Concepts; 3.005; 3.006; 10.011 to 10.016; 18.006.