U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: December 1, 2016

To: All FHA-approved Mortgagees
All Direct Endorsement Underwriters
All FHA Roster Appraisers
All FHA Roster Inspectors
All FHA-approved 203(k) Consultants
All HUD-approved Housing Counselors
All HUD-approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Mortgagee Letter 2016-20

Subject 2017 Nationwide Forward Mortgage Limits

Purpose The Federal Housing Administration (FHA) calculates forward mortgage limits based on the median house prices in accordance with the National Housing Act. FHA's Single Family forward mortgage limits are set by Metropolitan Statistical Area (MSA) and county and are published periodically. FHA publishes updated limits effective for each calendar year. FHA sets these limits at or between the low cost area and high cost area limits based on the median house prices for the area.

Effective Date Forward mortgage limits for calendar year 2017 are effective for case numbers assigned on or after January 1, 2017.

Requests for Local Increases (Appeals) Any request for a change to high-cost-area loan limits, must comply with the existing guidance in HUD Handbook 4000.1, Section II.A.2.a.ii (A). Such requests must be received by FHA's Santa Ana Homeownership Center no later than January 3, 2017. Any changes in area loan limits as a result of valid appeals will be in effect retroactively for case numbers assigned on or after January 1, 2017.

Affected Topics This guidance will affect HUD's Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1), section II.A.2.a.ii(B) – *Low Cost Area*; section II.A.2.a.ii(C) – *High Cost Area*; and section II.A.2.a.ii(D) – *Special Exceptions for Alaska, Hawaii, Guam, and the Virgin Islands*.

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Access to 2017 Limits

As stated in HUD Handbook 4000.1, Section II.A.2.a.ii, FHA forward mortgage limits for individual MSAs and counties are available on the internet at https://entp.hud.gov/idapp/html/hicostlook.cfm. In addition, downloadable text files with complete listings of all county loan limits are available at http://www.hud.gov/pub/chums/file_layouts.html.

There are no jurisdictions with a decrease in loan limits from the 2016 levels. To enable Mortgagees to easily identify areas with loan limit increases, FHA has published a separate list of counties with loan limit increases. Mortgagees may view this list along with a list of areas at the ceiling and a list of areas between the floor and ceiling on the Maximum Mortgage Limits web page.

This list includes the following four Counties/MSAs that have been renamed:

- Alaska's **Wade Hampton** Census Area (FIPS code 02-270) is now called **Kusilvak** Census Area. The new FIPS code is 02-158;
- South Dakota's **Shannon County** (FIPS code 46-113) is now called **Oglala Lakota County.** The new FIPS code is 46-102;
- Louisiana's **La Salle Parish** (FIPS 22-059) is now called **LaSalle Parish**. The FIPS code did not change.
- **Macon, GA** (CBSA # 31420) is now **Macon-Bibb County, GA.**

4000.1 Single Family Housing Policy Handbook

Nationwide Mortgage Limits (II.A.2.a.ii(B))

Low Cost Area

The FHA national low cost area mortgage limits, which are set at 65 percent of the national conforming limit of $424,100 for a one-unit Property, are, by property unit number, as follows:

- One-unit: $275,665
- Two-unit: $352,950
- Three-unit: $426,625
- Four-unit: $530,150

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Nationwide Mortgage Limits (II.A.2.a.ii(C))

High Cost Area

The FHA national high cost area mortgage limits, which are set at 150 percent of the national conforming limit of $424,100 for a one-unit Property, are, by property unit number, as follows:

- One-unit: $636,150
- Two-unit: $814,500
- Three-unit: $984,525
- Four-unit: $1,223,475

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Nationwide Mortgage Limits (II.A.2.a.ii(D))

Special Exceptions for Alaska, Hawaii, Guam, and the Virgin Islands

Mortgage limits for the special exception areas of Alaska (AK), Hawaii (HI), Guam (GU) and the Virgin Islands (VI) are adjusted by FHA to account for higher costs of construction. These four special exception areas have a higher ceiling as follows:

- One-unit: $721,050
- Two-unit: $923,050
- Three-unit: $1,115,800
- Four-unit: $1,386,650

Paperwork Reduction Act

The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0059, 2502-0524 and 2502-0302. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

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Questions

For additional information on this ML, please visit www.hud.gov/answers or call the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number via TTY by calling the Federal Relay Service at 1-800-877-8339.

Signature

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