



**TO: All FHA-Approved Mortgagees and Servicers Originating and Servicing
Title II Forward and Reverse Mortgages
All Other Stakeholders in FHA Transactions**

NEWS AND UPDATES

In this Announcement:

- 2018 Nationwide Forward Mortgage Limits
- 2018 Nationwide Home Equity Conversion Mortgage (HECM) Limits
- Property Assessed Clean Energy (PACE) Policy Updates

See below for details.

2018 Nationwide Forward Mortgage Limits

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 2017-16](#), *2018 Nationwide Forward Mortgage Limits*, which provides the maximum mortgage limits for FHA-insured Title II forward mortgages. View the corresponding [press release](#) in the Press Room on hud.gov.

In accordance with the National Housing Act (NHA), FHA's Forward Mortgage Limits are set at 115 percent of the area median home price, subject to a National minimum "floor" and maximum "ceiling" limit. The NHA sets the floor and ceiling at 65 percent and 150 percent of the conforming limit, respectively. The nationwide forward mortgage limit floor and ceiling for calendar year 2018 are \$294,515 and \$679,650¹, respectively, for a one-unit property.

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. FHA forward mortgage limits are available [by Metropolitan Statistical Area \(MSA\) and county](#), or by downloading a [complete listing](#).

The new 2018 Title II forward mortgage loan limits are effective for case numbers assigned on or after January 1, 2018, and remain effective through December 31, 2018. The new loan limits will be incorporated into a forthcoming update of the *Single Family Housing Policy Handbook* 4000.1 (SF Handbook).

[Quick Links](#)

- View Mortgagee Letter 2017-16 and other Mortgagee Letters at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee
- View 2018 forward mortgage limit attachments:
 - FHA mortgage limits by MSA and County at: <https://entp.hud.gov/idapp/html/hicostlook.cfm>

- Complete listing of FHA loan limits at: http://www.hud.gov/pub/chums/file_layouts.html
- Maximum Mortgage Limits web page at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/lender/origination/mortgage_limits
- View the online or PDF versions of the SF Handbook at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgb
- View the New FHA Mortgage Limits for 2018 press release, and all other press releases, in the Press Room on hud.gov at: https://www.hud.gov/press/press_releases_media_advisories

¹Alaska, Hawaii, Guam and the Virgin Islands are subject to a higher “ceiling.” See Mortgagee Letter 17-16 for details.

2018 Nationwide Home Equity Conversion Mortgage (HECM) Limits

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 2017-17](#), *2018 Nationwide Home Equity Conversion Mortgage (HECM) Limits*, which provides the 2018 maximum claim amount for FHA-insured traditional HECM, HECM for purchase, and HECM-to-HECM refinances. View the corresponding [press release](#) in the Press Room on hud.gov.

In accordance with the National Housing Act (NHA), the maximum claim amount for FHA-insured HECMs in 2018 will be \$679,650 (150 percent of the conforming limit) for all areas.

These limits are applicable for case numbers assigned on or after January 1, 2018, through December 31, 2018.

[Quick Links](#)

- View Mortgagee Letter 2017-17 and other Mortgagee Letters at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee
- View the New FHA Mortgage Limits for 2018 press release, and all other press releases, in the Press Room on hud.gov at:
https://www.hud.gov/press/press_releases_media_advisories

Property Assessed Clean Energy (PACE) Policy Updates

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 2017-18](#), *Property Assessed Clean Energy (PACE)*, which communicates revised guidance for insuring single family mortgages secured by properties encumbered with PACE obligations. View the corresponding [press release](#) in the Press Room on hud.gov.

The previous policy in the FHA *Single Family Housing Policy Handbook* 4000.1 (SF Handbook) permitted FHA-insured mortgage financing for properties encumbered with a PACE obligation. However, due to the priority lien status given to PACE obligations, this policy posed unreasonable risks to the Mutual Mortgage Insurance Fund (MMIF).

To mitigate risks to the MMIF that PACE obligations pose, revised policies in Mortgagee Letter 2017-18, *Property Assessed Clean Energy (PACE)*, require the satisfaction of the PACE obligation as a condition of eligibility for FHA insurance.

The guidance in this Mortgagee Letter is effective for all case numbers issued thirty days after the date of this Mortgagee Letter. All policy updates will be incorporated into a forthcoming update of the SF Handbook.

[Quick Links](#)

- Review Mortgagee Letter 2017-18 and all other Mortgagee Letters at:
https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

- View the PACE press release, and all other press releases, in the Press Room on hud.gov at: https://www.hud.gov/press/press_releases_media_advisories
- View the online or PDF versions of the SF Handbook at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: <https://www.hud.gov/answers>
- E-mail the FHA Resource Center at: answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALL-FHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

RESOURCE INFORMATION															
FHA INFO Archives:	Visit the FHA INFO Archives to access FHA INFO messages issued from 2012 to the present.														
Subscribe/Unsubscribe Instructions:	To subscribe to the Single Family FHA INFO mailing list you can use this link: FHA INFO or send a request by email to: answers@hud.gov Bulk subscriptions: To sign up your entire office or a large group, send the list of email addresses (in the format below) to: answers@hud.gov aaa@xyz.com bbb@xyz.com ccc@xyz.com To Unsubscribe follow the unsubscribe instructions on that page.														
Resource Links:	<table border="0"> <tr> <td>FHA Archived Webinars</td> <td>Foreclosure Assistance</td> </tr> <tr> <td>Career Opportunities</td> <td>Grant Opportunities</td> </tr> <tr> <td>Contracting Opportunities</td> <td>HUD Homes - Property Listings</td> </tr> <tr> <td>Events & Training</td> <td>HUD.gov</td> </tr> <tr> <td>FHA Forms</td> <td>Making Home Affordable</td> </tr> <tr> <td>FHA Homeownership Centers</td> <td>Presidentially-Declared Major Disaster Areas</td> </tr> <tr> <td>FHA Mortgagee Letters</td> <td>Visit our Single Family Home Page</td> </tr> </table>	FHA Archived Webinars	Foreclosure Assistance	Career Opportunities	Grant Opportunities	Contracting Opportunities	HUD Homes - Property Listings	Events & Training	HUD.gov	FHA Forms	Making Home Affordable	FHA Homeownership Centers	Presidentially-Declared Major Disaster Areas	FHA Mortgagee Letters	Visit our Single Family Home Page
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