



ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER

Date: December 2, 2020

Mortgagee Letter 2020-42

To: All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All Eligible Submission Sources for Condominium Project Approvals
All FHA Roster Appraisers
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

Subject 2021 Home Equity Conversion Mortgage (HECM) Limits

Purpose The Federal Housing Administration's (FHA) HECM maximum claim amount limits for Traditional HECM, HECM for Purchase, and HECM-to-HECM refinances are governed by the maximum claim amount limitation in sections 255(g) and 255(m) of the National Housing Act, which contains cross-references to section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454)(a)(2)) as further defined in 24 C.F.R. 206.3. FHA publishes updated limits effective for each calendar year.

Effective Date The HECM maximum claim amount limits for calendar year 2021 are effective for case numbers assigned on or after January 1, 2021.

Maximum Claim Amount Limits For the period January 1, 2021 through December 31, 2021, the maximum claim amount for FHA-insured HECMs will be \$822,375 (150 percent of Federal Home Loan Mortgage Corporation's (Freddie Mac) national conforming limit of \$548,250). This maximum claim amount of \$822,375 is also applicable to Freddie Mac's special exception areas: Alaska, Hawaii, Guam, and the Virgin Islands.

Mortgagee Letter 2020-42, Continued

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Questions

Any questions regarding this Mortgagee Letter may be directed to the FHA Resource Center at 1-800-CALL-FHA. Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339. For additional information on this Mortgagee Letter, please visit www.hud.gov/answers.

Signature

Dana T. Wade
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Federal Housing Commissioner
