



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: December 1, 2022

Mortgagee Letter 2022-20

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 2023 Nationwide Forward Mortgage Loan Limits

Purpose This Mortgagee Letter (ML) establishes the 2023 Nationwide Forward Mortgage Loan Limits.

Effective Date The provisions of this ML are effective for case numbers assigned on or after January 1, 2023.

All updates will be incorporated into a forthcoming update of the HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1).

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the FHA Resource Center at answers@hud.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs The provisions of this ML apply to Title II forward mortgage programs.

Background

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. For purposes of conforming high-cost-area limits to the indexing of the base Freddie Mac loan limit required in 305(a)(2) of the Federal Home Loan Mortgage Corporation Act, HUD uses indexing of county-level prices starting in 2008, the year that current statutory authorities for FHA loan limit determination were enacted. The limits in these areas are set using the county with the highest median price within the metropolitan statistical area. FHA publishes updated limits effective for each calendar year.

As HUD Handbook 4000.1, Section II.A.2.a.ii states, FHA forward mortgage limits for individual MSAs and counties are available on the internet at <https://entp.hud.gov/idapp/html/hicostlook.cfm>. Also, downloadable text files with complete listings of all county loan limits are available at http://www.hud.gov/pub/chums/file_layouts.html. FHA has published a list of areas at the ceiling, and between the floor and ceiling on the Maximum Mortgage Limits web page at https://www.hud.gov/program_offices/housing/sfh/lender/origination/mortgage_limits.

FHA permits appeals to change high-cost-area loan limits in accordance with HUD Handbook 4000.1, Section II.A.2.a.ii(A).

Summary of Changes

This ML:

- Updates section II.A.2.a.ii(B) – *Low-cost Area*;
 - Updates section II.A.2.a.ii(C) – *High-cost Area*; and
 - Updates section II.A.2.a.ii(D) – *Special Exceptions for Alaska, Hawaii, Guam, and the Virgin Islands*.
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**FHA Single
Family Housing
Policy
Handbook
4000.1**

The policy changes will be incorporated into Handbook 4000.1 as follows:

Nationwide Mortgage Limits (II.A.2.a.ii(B), (C), and (D))

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 \$726,200 for a one-unit Property, are, by property unit number, as follows:

- One-unit: \$472,030
- Two-unit: \$604,400
- Three-unit: \$730,525
- Four-unit: \$907,900

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 \$726,200 for a one-unit Property, are, by property unit number, as follows:

- One-unit: \$1,089,300
- Two-unit: \$1,394,775
- Three-unit: \$1,685,850
- Four-unit: \$2,095,200

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: \$1,633,950
 - Two-unit: \$2,092,150
 - Three-unit: \$2,528,775
 - Four-unit: \$3,142,800
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**Paperwork
Reduction Act**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0595; 2502-0600; and 2502-0610. In accordance with the PRA, 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.

Questions

Any questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALL-FHA, answers@hud.gov, or www.hud.gov/answers. The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech and communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-services>.

Signature

Julia R. Gordon
Assistant Secretary for Housing -
FHA Commissioner
