



ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

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

Date: November 26, 2024

Mortgagee Letter 2024-21

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 FHA-Approved Title I Lenders
All HUD-Certified Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject 2025 Nationwide Forward Mortgage Loan Limits

Purpose This Mortgagee Letter (ML) establishes the 2025 Nationwide Forward Mortgage Loan Limits and updates the process to request local increases.

Effective Date The provisions of this ML for loan limits are effective for case numbers assigned on or after January 1, 2025. Updates to the process to request local increases are effective immediately.

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

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 Federal Home Loan Mortgage Corporation (Freddie Mac) loan limit required in section 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 MSA. FHA publishes updated limits effective for each calendar year.

As stated in Handbook 4000.1, section II.A.2.a.ii Nationwide Mortgage Limits, FHA forward mortgage limits for individual MSAs and counties are available 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 Handbook 4000.1, section II.A.2.a.ii(A) Requests for Local Increases and this process has been updated.

**Summary of
Changes**

This ML:

- updates section II.A.2.a.ii(A) Requests for Local Increases
- 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.

**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)

(A) Requests for Local Increases

Any requests to change Mortgage **Loan** limits determined by HUD must be received by FHA at the address below no later than 30 Days from the publication of the limits each year. Any changes in area Mortgage **Loan** limits as a result of valid appeals will be retroactively in effect for case numbers assigned on or after January 1 of each year.

Each request to change Mortgage **Loan** limits must contain sufficient housing sales price data, listing one-family Properties sold in an area within the 12-month look-back period, November through October of the previous

year. Requests should differentiate between Single Family residential Properties, and condominiums or cooperative housing units. Ideally, the data provided should also distinguish between distressed and non-distressed sales. Requests for a change will only be considered for counties for which HUD does not already have home sales transaction data for the calculation of Mortgage limits.

All requests to change Mortgage Loan Limits must be submitted to FHA's Resource Center via email at answers@hud.gov.

All requests must include in the subject line: Mortgage Loan Limit Requests.

(B) Low-Cost Area

The FHA national low-cost area mortgage limits, which are set at 65 percent of the national conforming limit of \$806,500 for a one-unit Property, are, by property unit number, as follows:

- One-unit: \$524,225
- Two-unit: \$671,200
- Three-unit: \$811,275
- Four-unit: \$1,008,300

(C) High-Cost Area

The FHA national high-cost area mortgage limits, which are set at 150 percent of the national conforming limit of \$806,500 for a one-unit Property, are, by property unit number, as follows:

- One-unit: \$1,209,750
- Two-unit: \$1,548,975
- Three-unit: \$1,872,225
- Four-unit: \$2,326,875

(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: \$1,814,625
- Two-unit: \$2,323,450
- Three-unit: \$2,808,325
- Four-unit: \$3,490,300

**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; 2502-0328; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-0610; and 2502-0611. 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.

**Feedback or
Questions**

HUD welcomes feedback from interested parties and will consider feedback in determining the need for future updates. Any feedback or questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342), 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 or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

Signature

Julia R. Gordon
Assistant Secretary for Housing -
FHA Commissioner
