

FHA INFO #20-89
December 2, 2020



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

NEWS AND UPDATES

In this Announcement:

- 2021 Nationwide Forward Mortgage Limits
- 2021 Nationwide Home Equity Conversion Mortgage Limits

See below for details.

2021 Nationwide Forward Mortgage Limits

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 2020-41](#), *2021 Nationwide Forward Mortgage Limits*, which provides the maximum mortgage limits for FHA-insured Title II forward mortgages. These new loan limits are effective for case numbers assigned on or after January 1, 2021, through December 31, 2021. Read today's [Press Release](#).

This year, the Federal Housing Finance Agency (FHFA) increased annual loan limits by 7.42 percent for Calendar Year (CY) 2021 based on changes to the national median home prices. Therefore, FHA's "floor" and "ceiling" loan limits will increase from \$331,760 and \$765,600 in CY 2020, to \$356,362 and \$822,375¹, respectively, for a one-unit property.

The following table lists the CY 2021 FHA loan limit thresholds for low cost and high cost areas:

Property Size	Low Cost Area "Floor"	High Cost Area "Ceiling"
One-Unit	\$356,362	\$822,375
Two-Units	\$456,275	\$1,053,000
Three-Units	\$551,500	\$1,272,750
Four-Units	\$685,400	\$1,581,750

As in previous years, Alaska, Hawaii, Guam, and the U.S. Virgin Islands have a higher limit "ceiling" than the rest of the country.

Mortgagees may view the list of areas at the “ceiling” and areas with limits between the “floor” and “ceiling” — along with lists that can be sorted by state, county or MSA or by calendar year — on the [Maximum Mortgage Limits](#) web page.

Calendar Year 2021 loan limits for FHA-insured Title II forward mortgages will be included in a future [Single Family Housing Policy Handbook 4000.1](#) (Handbook 4000.1) release.

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

Quick Links:

- View Mortgagee Letter 2020-41 and all other Mortgagee Letters at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee
- View the online or PDF versions of Handbook 4000.1 at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg
- View CY 2021 forward mortgage limits information at:
 - FHA mortgage limits by county, state, or MSA at: <https://entp.hud.gov/idapp/html/hicostlook.cfm>
 - Complete listing of FHA loan limits by calendar year 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

2021 Nationwide Home Equity Conversion Mortgage (HECM) Limits

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter 2020-42](#), *2021 Nationwide Home Equity Conversion Mortgage (HECM) Limits*, which provides the Calendar Year (CY) 2021 maximum claim amount for FHA-insured traditional HECM, HECM for purchase, and HECM-to-HECM refinances. Read today’s [Press Release](#).

The maximum claim amount for FHA-insured HECMs for all areas, including Alaska, Hawaii, Guam, and the U.S. Virgin Islands, in CY 2021, will be \$822,375; 150 percent of the Federal Home Loan Mortgage Corporation’s (Freddie Mac) national conforming limit of \$510,400. This limit is applicable for case numbers assigned on or after January 1, 2021, through December 31, 2021. For additional details, refer to Mortgagee Letter 2020-42.

The maximum CY 2021 claim amount for FHA-insured HECMs will be included in a future [Single Family Housing Policy Handbook 4000.1](#) (Handbook 4000.1) release.

Quick Links:

- View Mortgagee Letter 2020-42 and all other Mortgagee Letters at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee
 - View CY 2021 HECM limits information at:
 - FHA mortgage limits by county, state, or MSA at: <https://entp.hud.gov/idapp/html/hicostlook.cfm>
 - Complete listing of FHA loan limits by calendar year 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
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Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: 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-CALLFHA (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.

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><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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[HUD COVID-19 Resources and Fact Sheets](#)