



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

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

July 7, 2014

MORTGAGEE LETTER 2014-14

TO: ALL FHA APPROVED MULTIFAMILY MORTGAGEES

SUBJECT: Annual Base City High Cost Percentage and High Cost Area Revisions
for 2014

Maximum mortgage amounts were revised by the Consolidated Appropriations Act 2008 (Public Law 110-161, approved December 26, 2007) (FY 2008 Appropriations Act) which appropriated Fiscal Year 2008 funds for the majority of Federal agencies, including HUD. Section 221 of the General Provisions of Title II of Division K of the FY 2008 Appropriations Act revises the statutory exceptions to maximum mortgage amounts for the FHA Multifamily Housing Programs, listed in Section 221 of the FY 2008 Appropriations Act, by (1) substituting 170 percent for the 140 percent exception of any geographical area, and (2) substituting 215 percent for 170 percent as the maximum exception allowed for a specific project. Accordingly, the statutory revision allows the Secretary to grant exceptions to maximum mortgage limits for certain Multifamily Housing Programs by (1) up to 170 percent, (equivalent to a 270 percent multiplier) in geographical areas where cost levels so require or (2) up to 170 percent, or 215 percent in High Cost Areas, (equivalent to a 315 percent multiplier) where necessary on a project-by-project basis.

The law does not determine which areas are to be considered "High Cost Areas." Accordingly, the Office of Multifamily Development has developed a list of High Cost Areas for 2014. The threshold for a High Cost Area has been set for all areas (Special Limit Areas excepted) with a "calculated" High Cost Percentage (HCP) of 281.70 or greater, prior to being capped at the statutory 170% or 270 multiplier. This results in some localities at an HCP of 270 being High Cost Areas and others not.

The attached designated Annual Base City High Cost Percentages and High Cost Areas are effective January 1, 2014.

SPECIAL LIMIT AREAS

Guam, the U.S. Virgin Islands, and the states of Alaska and Hawaii are Special Limit areas. Care should be taken to ensure that the appropriate limits are used for corresponding programs. The HCP for Special Limit Areas is 405%.

Attachment

Carol J. Galante
Assistant Secretary for Housing –
Federal Housing Commissioner

FHA MULTIFAMILY STATUTORY MORTGAGE PROGRAMS
BASE CITY HIGH COST PERCENTAGES Effective January 1, 2014

<u>Boston MA Hub</u>	270		
Hartford CT	270		
Bangor ME	270		
Manchester NH	270		
Providence RI	270		
Burlington VT	270		
<u>New York NY Hub</u>	270		
Buffalo NY	270		
Albany NY	270		
<u>Philadelphia PA Hub</u>	270		
Charlestown WV	270		
Camden NJ	270		
Newark NJ	270		
Pittsburg PA	270		
Wilmington DE	270		
<u>Baltimore MD Hub</u>	270		
Washington DC	270		
Richmond VA	263		
<u>Greensboro NC Hub</u>	252		
Columbia SC	241		
<u>Atlanta GA Hub</u>	252		
Louisville KY	244		
Knoxville TN	228		
Memphis TN	224		
Nashville TN	234		
San Juan PR	270		
US Virgin Isl. (spec limit)	405		
<u>Jacksonville FL Hub</u>	252		
Birmingham AL	228		
Jackson MS	224		
Miami FL	260		
Tampa FL	263		
<u>Chicago IL Hub</u>	270		
Springfield IL	270		
Indianapolis IN	251		
<u>Columbus OH Hub</u>	251		
Cleveland OH	270		
Cincinnati OH	248		
		<u>Detroit MI Hub</u>	270
		Grand Rapids MI	241
		<u>Minneapolis MN Hub</u>	270
		Milwaukee WI	270
		<u>Fort Worth TX Hub</u>	218
		Little Rock AR	224
		New Orleans LA	228
		Shreveport LA	224
		Albuquerque NM	251
		Dallas TX	218
		Houston TX	214
		Lubbock TX	214
		San Antonio TX	197
		<u>Kansas City MO Hub</u>	270
		Des Moines IA	241
		Topeka KS	241
		St. Louis MO	270
		Omaha NE	234
		Oklahoma City OK	234
		Tulsa OK	228
		<u>Denver CO Hub</u>	270
		Helena MT	255
		Fargo ND	244
		Sioux Falls SD	231
		Salt Lake City UT	270
		Casper WY	266
		<u>Los Angeles CA Hub</u>	270
		Santa Ana CA (LA)	270
		San Diego CA	270
		<u>San Francisco CA Hub</u>	270
		Phoenix AZ	258
		Sacramento CA	270
		Honolulu HI (spec limit)	405
		Las Vegas NV	270
		<u>Seattle WA Hub</u>	270
		Anchorage AK (spec limit)	405
		Boise ID	270
		Portland OR	270
		Spokane WA	270

Note: Offices with a “calculated” HCP of 281.70 (before the statutory cap of 270) or higher are designated “High Cost Areas” and are shaded.