



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: December 22, 2016

To: All FHA-approved Mortgagees
All Direct Endorsement Underwriters
All FHA Roster Appraisers
All FHA Roster Inspectors
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

Mortgagee Letter 2016-25

Subject 2017 Nationwide Forward Mortgage Limits – Correction for Special Exception Areas (Alaska, Hawaii, Guam, and the Virgin Islands)

Purpose Mortgagee Letter 16-20 set Federal Housing Administration (FHA) forward mortgage limits for calendar year 2017, but indicated incorrect ceiling limits for Alaska, Hawaii, Guam, and the Virgin Islands, which are special exception areas which allow for higher construction costs. This Mortgagee Letter states the correct forward mortgage limit ceiling for those special exception areas.

While ML 16-20 referenced incorrect ceiling limits for the special exception areas, **there are no changes to the mortgage limits in any jurisdiction, including the special exception areas**, as no jurisdiction in the special exception area has a median house price that generates a mortgage limit above the amounts referenced in ML 16-20.

All other sections of ML 16-20 remain unchanged.

Effective Date Forward mortgage limits for calendar year 2017 in all areas are effective for case numbers assigned on or after January 1, 2017.

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Mortgagee Letter 2016-25, Continued

**Requests for
Local
Increases
(Appeals)**

Any request for a change to special exception area loan limits must comply with the existing guidance in HUD Handbook 4000.1, Section II.A.2.a.ii (A). Such requests must be received by FHA's Santa Ana Homeownership Center no later than January 20, 2017. Any changes in area loan limits as a result of valid appeals will be in effect retroactively for case numbers assigned on or after January 1, 2017.

**Affected
Topics**

This guidance will affect HUD's Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1), section II.A.2.a.ii(D) – *Special Exceptions for Alaska, Hawaii, Guam, and the Virgin Islands*.

**Access to 2017
Limits**

As stated in ML 16-20 and HUD Handbook 4000.1, Section II.A.2.a.ii, FHA forward mortgage limits for individual MSAs and counties are available on the internet at <https://entp.hud.gov/idapp/html/hicostlook.cfm>. In addition, downloadable text files with complete listings of all county loan limits are available at http://www.hud.gov/pub/chums/file_layouts.html. **No changes have been made to the limits in any jurisdiction, including the special exception areas, as found in these files.**

**4000.1 Single
Family
Housing
Policy
Handbook**

Nationwide Mortgage Limits (II.A.2.a.ii(D))

Special Exceptions for Alaska, Hawaii, Guam, and the Virgin Islands

FHA adjusts mortgage limit ceilings for the special exception areas of Alaska (AK), Hawaii (HI), Guam (GU) and the Virgin Islands (VI) to account for higher costs of construction. These Special Exception Area limit ceilings are set at 150 percent of FHA's High Cost Area mortgage limits, rounded down to the nearest \$25. These four special exception areas have a higher ceiling as follows:

- One-unit: \$954,225
 - Two-unit: \$1,221,750
 - Three-unit: \$1,476,775
 - Four-unit: \$1,835,200
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Mortgagee Letter 2016-25, Continued

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Questions For additional information on this ML, please visit www.hud.gov/answers or call FHA's Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number via TTY by calling the Federal Relay Service at 1-800-877-8339.

Signature

Edward L. Golding
Principal Deputy Assistant Secretary for Housing
