



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.

---

*Continued on next page*

## 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](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
- 

*Continued on next page*

## Mortgagee Letter 2016-25, Continued

---

**Paperwork Reduction Act** The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0059, 2502-0524 and 2502-0302. In accordance with the Paperwork Reduction Act, 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** For additional information on this ML, please visit [www.hud.gov/answers](http://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

---