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FHFA Announces 2016 Conforming Loan Limits

The Federal Housing Finance Agency (FHFA) announced last week that the maximum conforming loan limits for mortgages acquired by Fannie Mae and Freddie Mac in 2016 will remain at existing levels, except in [39 high-cost counties](#) where they will increase. In most of the country, the loan limit will remain at \$417,000 for one-unit properties.

The Housing and Economic Recovery Act of 2008 (HERA) established the baseline loan limit at \$417,000 and mandated that, after a period of price declines, the baseline loan limit cannot rise again until home prices return to pre-decline levels. The \$417,000 loan limit will stay the same for 2016 because FHFA has determined that the average U.S. home value in the third quarter of this year remained below its level in the third quarter of 2007.

HERA provides for higher loan limits in high-cost counties by setting loan limits as a function of area median home value. Although the baseline loan limit will be unchanged in most of the country, 39 specific high-cost counties in which home values increased over the last year will see the maximum conforming loan limit for 2016 adjusted upward. Although other counties also experienced home value increases in 2015, after other elements of the HERA formula, such as the statutory ceiling and floor on limits, were accounted for, these local-area limits were left unchanged.

A list of the 2016 maximum conforming loan limits for all counties and county-equivalent areas in the country may be found [here](#). Marti has been updated to reflect the changes effective January 1st, 2016.

2016 General Loan Limits

Units	Contiguous States, District of Columbia, and Puerto Rico	Alaska, Guam, Hawaii, and U.S. Virgin Islands
1	\$417,000	\$625,500
2	\$533,850	\$800,775
3	\$645,300	\$967,950
4	\$801,950	\$1,202,925
2016 High-Cost Area Loan Limits		
1	\$625,500	\$938,250
2	\$800,775	\$1,201,150
3	\$967,950	\$1,451,925
4	\$1,202,925	\$1,804,375

Questions: Please address all questions to: LoanHelpDesk@ResMac.com