

FHFA Conforming Loan Limit Values FAQs

(updated December 2023)
<https://www.fhfa.gov/CLL>

Overview

1. What are the Conforming Loan Limit (CLL) values?

The highest loan amount for mortgages that Fannie Mae or Freddie Mac can acquire. Mortgages above this limit are known as jumbo loans. The Federal Housing Finance Agency (FHFA) sets the CLL annually and it varies geographically using guidelines specified in the [Housing and Economic Recovery Act of 2008 \(HERA\)](#) and modified in subsequent legislation. We provide more information on the [FHFA CLL](#) webpage.

2. When does the new CLL become effective?

At the end of each November, FHFA updates the CLL based on rules set forth in HERA. The CLL takes effect a month later on Jan. 1.

3. How do we calculate the CLL?

Loan limit increases reflect the year-over-year percentage change in the FHFA House Price Index[®] (HPI) for the United States. We base the formula on the third quarter (Q3) and can write it as:

$$(current\ year\ Q3\ FHFA\ HPI - prior\ year\ Q3\ FHFA\ HPI) / (prior\ year\ Q3\ FHFA\ HPI)$$

We convert it to percentage terms. For example, we computed the 2024 limits as:

$$\begin{aligned} \text{Percentage Change} &= (2023Q3\ HPI - 2022Q3\ HPI) / 2022Q3\ HPI \\ &= (392.0426427 - 371.4021478) / 371.4021478 \\ &= 5.557451679\ percent \end{aligned}$$

HERA requires us to adjust the baseline loan limit value each year to reflect changes in the national average home price. In October 2015, FHFA published a Final Notice in the Federal Register specifying that we would adjust the limits using the nominal, seasonally adjusted, expanded-data (EXP) version of the FHFA HPI[®].

An important caveat is that the CLL adjustment differs during or immediately following a housing market downturn. By statute, the baseline loan limit value remains flat when the national average home price is not increasing. Further, after a period of declining home values, HERA requires that the prior declines be “made up” before we can increase the baseline limit value. In such instances, we must fully negate any cumulative house price decline before increasing a loan limit value. For this reason, we did not change the baseline loan limit value in 2007 and kept it at the same level until 2017.

4. Can the CLL decrease?

No. Due to statute and HERA’s specific adjustment rules, the CLL does not decrease. When home values decline according to the formula, HERA does not provide for decreases in the baseline loan limit. Loan limit values remain the same as the prior year until house price declines have been “made up” and the current index level exceeds the prior FHFA HPI level before the decline started. This happened when the baseline loan limit value stayed at \$417,000 from 2006 until 2017 when it increased by the net positive increase of 1.7 percent since the prior peak. We base the calculated increase on the gain compared to that prior level (not the third quarter from the earlier year).

FHFA implemented a “hold harmless” approach where county-level loan limit values do not decrease. This applies to counties where the median home value decreased relative to the prior year’s value. We take the same approach if a county were to drop out of a high-cost area and suffer from a lower median value as a stand-alone county.

5. Why do we use the expanded-data FHFA HPI?

The FHFA produces three main HPI flavors – a purchase-only index, an all-transactions index, and an expanded-data index. We adjust the CLL using FHFA’s national, nominal, seasonally adjusted, expanded-data index. We base the expanded-data FHFA HPI on an underlying sample of transactions that reflects the universe of what could be conforming loans, however Fannie Mae or Freddie Mac (the “Enterprises”) have not purchased or securitized all the loans. We combine data between purchase-money mortgages from the Enterprises, Federal Housing Administration (FHA) loans, and public records of sales transactions (with prices below the annual loan limit ceiling).

Prior to HERA, we used the Mortgage Interest Rate Survey to adjust loan limit values. After house prices fell in 2007, loan limit values remained unchanged and FHFA began to consider alternative measures to the monthly survey. We created the expanded-data metric and gathered input from the public. In 2015, FHFA addressed those comments and announced its plans to utilize the seasonally adjusted, expanded-data HPI for calculating changes to the CLL. We posted a [“Notice of Establishment of Housing Price Index”](#) in the Federal Register.

We had considered FHFA’s existing and well-known purchase-only index but it only utilizes Enterprise data. The expanded-data HPI employs the same basic methodology as the Enterprise-specific, purchase-only HPI but also incorporates additional historical transactions data. Specifically, the expanded-data indexes include transaction prices for homes with FHA-endorsed loans and homes with transactions recorded at various county recorder offices through the country.

The addition of these two supplemental data sources to the Enterprise data provide for a better estimate of the overall change in the U.S. average home price than is available from other indexes. General price changes and trends should be similar between all of the FHFA HPIs, however, the expanded-data HPI is best suited to capture movements for the housing market segment that has a price range such that sales transactions could be financed with conforming loans because they fall below annual loan limit values.

6. What is the baseline loan limit value?

The baseline loan limit value is the highest loan amount for an acquisition in a particular year. This limit restricts the size of loan originations that the Enterprises can purchase (but not the price of homes) across the nation except in a small amount of high-cost or statutory areas. The value varies across two dimensions, counties and the number of property units. Local loan limit values are defined on a county-by-county basis with most counties (over 95 percent) assigned the baseline loan limit value. The baseline limit values, however, can increase for properties that have more than one (but less than five) units.

HERA also defines “high-cost” area loan limit values that can be as much as 150 percent of the baseline value. Loan limit values can exceed the baseline value in areas with more expensive housing markets. Specifically, they are set at 115 percent of the highest county median home price in the local area as long as that amount does not exceed the ceiling. Local areas follow the definitions of core-based statistical areas (CBSAs), which means they can be both metropolitan and micropolitan statistical areas.

As an example, loan limit values for 2024 Enterprise acquisitions were established in 2023Q3 with the baseline loan limit value being \$766,550 for a one-unit property. According to data released by the Department of Housing and Urban Development (HUD) as of 2023Q3, the median home value in Santa Barbara County, California was \$729,000. Multiplying this area median value by 115% yields a loan limit of \$838,350, which is above the baseline limit value but below the high-cost ceiling of \$1,149,825. As a result, the loan limit value for Santa Barbara County was set at \$838,350.

Loan limit values are also higher in certain statutorily-designated areas like Alaska, Hawaii, Guam, and the U.S. Virgin Islands. The limits in these statutorily-designated areas cannot exceed 150 percent of the high-cost ceiling value. We provide lookup tables on the [CLL page](#).

7. How are loan limit values set in high-cost areas?

HERA sets loan limit values as a function of local-area median home values. The CLL must be increased in areas where 115 percent of the median home value exceeds the baseline CLL value, not to exceed an amount that is 150 percent of the baseline. To perform calculations, counties are grouped by core-based statistical areas CBSAs that the Office of Management and Budget (OMB) delineates. FHFA coordinates with HUD to calculate CBSA-wide median home values equal to the median price for the highest-cost component county in each CBSA. Each county in the CBSA receives the same value and a high-cost loan limit value is assigned as described above if the multiple exceeds the baseline CLL.

For example, Seattle-Tacoma-Bellevue, WA is delineated by three counties. As of 2023Q3, the highest county median home value was \$850,000, which when multiplied by 115 percent gave a loan limit value of \$977,500 that was above the baseline loan limit value. This value was applied similarly to all counties in that CBSA.

Some areas are extremely expensive, but their loan limit values are still capped. In 2023Q3, the nation’s capital (Washington-Arlington-Alexandria, DC-VA-MD-WV) had a median home value of

\$1,072,000, which exceeds the high-cost area ceiling of \$1,149,825 when multiplied by 115 percent. In these instances, all counties within the CBSA receive the high-cost ceiling as their loan limit value.

Finally, not all CBSAs qualify as being high-cost areas. The capital of Florida, Tallahassee, is a CBSA with four counties but the highest county median home value is only \$250,000, which means the local area is not expensive enough to receive an adjustment. As a result, the baseline loan limit value applies to all counties in that local area.

8. How many counties are in high-cost areas?

The United States has over 3,000 counties or county-equivalent jurisdictions. In any given year, roughly 100 to 200 of them qualify for high-cost limit values that exceed the baseline limit value.

9. Why are some loan limit values not exact multiples of percentage change or median home values?

Minor rounding happens for baseline and high-cost area loan limit values. We round baseline loan limit values down to the nearest \$50 and high-cost area loan limit values down to the nearest \$25.

10. What are the loan limit values in Alaska, Hawaii, Guam and the U.S. Virgin Islands?

We grant Alaska, Hawaii, Guam, and the U.S. Virgin Islands loan limit values that, at minimum, are 50 percent above the country's baseline limit value. Essentially, the baseline loan limit value for these prespecified select areas is 150 percent of the national baseline.

11. Can Fannie Mae and Freddie Mac acquire seasoned loans?

Fannie Mae and Freddie Mac occasionally acquire loans originated in previous years. The loan limit value for those "seasoned" acquisitions depends on a loan's year of origination, physical location, and number of units. Under a series of previously enacted laws (including the Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, Public Law 111-88, and Public Law 111-242), higher CLLs apply to Fannie Mae and Freddie Mac acquisitions of certain seasoned mortgages until 2023. The applicable loan limit values for such seasoned loans was as high as \$729,750 for one-unit properties in the contiguous United States. In 2024, the baseline loan limit value surpassed the limit set for these seasoned loans and the Enterprises will no longer be required to select the higher of the two limit values to determine eligibility.

12. Where can I find more information on conforming loan limit values?

The [CLL webpage](#) provides information about loan limit values and links to helpful documents and tools.

13. Where can I find the loan limit values for prior years?

We provide annual loan limits for every county on the [CLL webpage](#) in spreadsheet (XLS) and document (PDF) formats. These files provide county limit values based on the number of units (one to four) in a property and reflect HERA provisions. We provide a table of historical loan limit values in an [annual report to Congress](#).

14. What is the origin of the CLL values and how did these values evolve?

The concept of CLL has evolved over time, beginning with references to “maximum limits” that changed to “conforming loan limit” values, which FHFA now sets. The [Emergency Home Finance Act of 1970](#) chartered Freddie Mac to provide a secondary mortgage market for thrifts and other originators of conventional mortgages. The Act also allowed Fannie Mae to purchase conventional loans and established a CLL for both Enterprises of \$33,000. The Act also set the CLL 50 percent higher for three statutorily designated high cost areas: Alaska, Hawaii, and Guam (the U.S. Virgin Islands were added later).

The charters prohibit Fannie Mae and Freddie Mac from purchasing single-family mortgages with unpaid principal balances above the CLL. Congress raised the limit to \$60,000 for 1977 and \$67,500 for 1979. The [Housing and Community Development Act of 1980](#) increased the ceiling to \$93,750 and indexed future annual increases to changes in average house prices (12 U.S.C. 1717(b)(2) for Fannie Mae and 12 U.S.C. 1454(a)(2) for Freddie Mac). We adjust the limit values each year to reflect the change in the national average purchase price for all conventionally financed single-family homes, as measured by the Federal Housing Finance Board’s (FHFB’s) Monthly Interest Rate Survey (MIRS). Statutory language relating to the limit value permits “adjustments” to the ceiling each January based on the “percentage increase” over the 12 months ending in October of the prior year, as measured by the MIRS.

The 1980 Act also broadened the CLL concept to apply to mortgages that finance single-family properties with two units (\$120,000), three units (\$145,000), and four units (\$180,000). We index limit values for mortgages that finance two-, three-, and four-unit homes in the same manner as loans that finance one-unit properties. While there was no significant change in the formula and the methodology to setting the annual CLL, the [Housing and Community Development Act of 1992](#) formally introduced the phrase “conforming loan limit.”

Finally, in 2008, Congress passed [HERA](#). Section 24 titled “Conforming Loan Limits” of the Federal Housing Finance Regulatory Reform Act of 2008 gave FHFA the following authority, “Such limitations shall not exceed \$417,000 for a mortgage secured by a single-family residence, \$533,850 for a mortgage secured by a 2-family residence, \$645,300 for a mortgage secured by a 3-family residence, and \$801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning after the effective date of the

Federal Housing Finance Regulatory Reform Act of 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase, during the most recent 12-month or 4-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 4542 of this title).”

Coverage

15. What is the geographic level where loan limit values are set?

CLL is based on the county where a property is located. Some properties, however, may benefit from belonging to a CBSA where other counties have higher median home values. In such cases, we set the limit values using the county with the highest median price and make them the same for every county in the CBSA.

16. What is a CBSA?

A CBSA refers to either a *metropolitan* or a *micropolitan* statistical area. They comprise the central county or counties containing a large population core, plus adjacent outlying counties having a high degree of social and economic integration with the core. This forms the statutory definition of “local areas.”

For more information, see [2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas](#).

17. Which version of CBSA delineations is *currently* used by FHFA?

FHFA uses the revised metropolitan and micropolitan statistical areas and divisions as OMB defined in March 2020. You can view them at <https://www.whitehouse.gov/wp-content/uploads/2020/03/Bulletin-20-01.pdf>. In July 2023, OMB released Bulletin No. 23-01, Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations. These updates will take effect sometime in 2024 for various data systems and will be implemented for the 2025 CLL.

18. How does FHFA handle *previous* versions of CBSA definitions?

FHFA uses the most current CBSA definitions and does not assign properties into prior delineations that might have been utilized during an earlier transaction year. As an example, we outline a recent set of delineation in the 2018Q4 FHFA HPI report, where a [Technical Note](#) explains the transition to new definitions that impacted multiple metropolitan statistical areas. The latest delineation bulletin only added a single micropolitan statistical area that we incorporated into the CLL process.

19. If I have additional or more specific questions, who can I contact?

For additional questions, please contact LoanLimitQuestions@fhfa.gov.

U.S. Department of Veterans Affairs (VA) Loan Limits

20. Are VA loan limit values the same as the FHFA CLL?

Not anymore. VA home loan limit values were the same as the FHFA limit values until January 1, 2020. With the passage of the Blue Water Navy Vietnam Veterans Act of 2019, veteran borrowers are no longer limited to the FHFA CLL.

21. What is the Blue Water Navy Vietnam Veterans Act of 2019?

The Blue Water Navy Vietnam Veterans Act of 2019, [Public Law 116-23](#), became law on June 25, 2019. It took effect January 1, 2020 and states that VA-guaranteed home loans will no longer be limited to the FHFA CLL. Veterans can still obtain no-down payment, VA-backed home loans in all areas, regardless of loan amount. For more information, see <https://benefits.va.gov/homeloans/bwnact.asp>.

22. How do I get more information on VA home loans?

Contacting VA directly is the best way to get answers about guaranty questions, the lending process, or other matters related to the Agency. Its webpage has information at <https://www.va.gov/housing-assistance/home-loans/loan-limits/>. To speak with a VA Loan Specialist or find the nearest VA Regional Loan Center, call (877)-827-3702.

FHA Loan Limits

23. Are FHA loans limited by the FHFA CLL?

FHA loans are not limited by the baseline FHFA CLL but are based on the values. FHA calculates forward mortgage limit values based on the median house prices in accordance with the National Housing Act. These limit values are set at or between the low-cost area and high-cost area limit values based on the median house prices for the area.

Low-cost area mortgage limit values are set at 65 percent of the national conforming limit value.

High-cost area mortgage limit values are set at 150 percent of the national conforming limit value.

For more information on these limit values, please see the applicable [Mortgagee Letter](#).

24. Do FHA loan limit values address claim amounts for home equity conversion mortgages (HECMs)?

FHA publishes a separate Mortgagee Letter to cover claim amounts for HECMs. For more information on these claim amounts, see the [applicable Mortgagee Letter](#).

25. Where can I find FHA mortgage limit values?

For more information on current FHA loan limit values, see: <https://entp.hud.gov/idapp/html/hicostlook.cfm>.

For more information on FHA mortgage limit values, see: https://apps.hud.gov/pub/chums/file_layouts.html.

U.S. Department of Agriculture (USDA) Loan Limits

26. Does the USDA have similar single family loan limit values?

The USDA's Rural Housing Services (RHS) has loan limit values and requirements that differ from other government programs and depend on the program being utilized. For example, the Single Family Housing Guaranteed Loan Program requires a property be in a rural area. Additional eligibility requirements account for factors like household size and income (being below 115% of area median income), owner occupancy, borrower immigration status, and the inability to obtain certain other financing. The Single Family Housing Direct Home Loan Program limits the county-level area loan amount to not exceed 80% of the local HUD 203(b) loan limit values.

For more information on USDA's Guaranteed Home Loan program, the webpage, program fact sheet, and a map, go to:

- <https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program>
- https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RHS_SFHGLP.pdf
- <https://www.rd.usda.gov/files/RD-GRHLimitMap.pdf>

For more information on USDA's Direct Home Loan program, see the webpage, fact sheet, and map at:

- <https://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans>
- https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RHS_SFH502Direct.pdf
- <https://www.rd.usda.gov/files/RD-SFHAreaLoanLimitMap.pdf>