



**Bulletin #2016-25**

**December 2, 2016**

**\*\* 2017 LOAN LIMITS \*\***

◆ **Conforming Loan Limits**

The Federal Housing Finance Agency (FHFA) has issued new, higher Conventional Conforming loan limits for 2017. In most of the country, the 2017 standard maximum loan limit for one-unit properties will be \$424,100. In high-cost areas, higher loan limits will also be in effect.

**Standard Loan Limits**

Number of Units	NEW 2017 Maximum Loan Limits	2016 Maximum Loan Limits
1	\$424,100	\$417,000
2	\$543,000	\$533,850
3	\$656,350	\$645,300
4	\$815,650	\$801,950

**High Balance/Super Conforming Loan Limits**

Number of Units	NEW 2017 Maximum Loan Limits	2016 Maximum Loan Limits
1	\$636,150	\$625,500
2	\$814,500	\$800,775
3	\$984,525	\$967,950
4	\$1,223,475	\$1,202,925

For specific county loan limits, refer to the [FHFA website](#) for additional details.

**For Loans Submitted through DU:**

The 2017 Conventional Conforming loan limits will be implemented as follows:

- Standard Loan limits
  - Loans must be submitted to DU on or after the weekend of December 10, 2016 to be eligible to be underwritten with the new 2017 loan limits.
  - Standard loan amounts with an Approve/Eligible recommendation will be eligible to purchase with FAMC on and after the December 10<sup>th</sup>, 2016 effective date.
- High Balance Loan Limits
  - Loans must be submitted to DU on or after January 1, 2017 to be eligible to be underwritten with the new 2017 high-cost area loan limits.
  - High balance loan amounts with the proper DU approval will be eligible to purchase with FAMC on and after January 1, 2017.

### **For Loans Submitted through LP/LPA:**

The updated standard and high-cost area (super conforming) loan limits will be implemented in LP/LPA as of December 2, 2016. LP/LPA loans with an Accept recommendation using the updated loan limits for 2017 will be eligible to close/fund/purchase with FAMC on and after December 5, 2016.

### ◆ **FHA Loan Limits**

The FHA 2017 loan limits reflected below are effective with case numbers assigned on or after January 1, 2017 as per [Mortgagee Letter 2016-20](#).

- Low Cost Area – Set at 65% of the national conforming limit of \$424,100 for a one-unit property.
  - One-unit: \$275,665
  - Two-unit: \$352,950
  - Three-unit: \$426,625
  - Four-unit: \$530,150
- High Cost Area – Set at 150% of the national conforming loan limit of \$424,100 for a one-unit property.
  - One-unit: \$636,150
  - Two-unit: \$814,500
  - Three-unit: \$984,525
  - Four-unit: \$1,223,475
- There are no jurisdictions with a decrease in loan limits from the 2016 levels. FHA has published a separate [list of counties with increased loan limits](#).
- As per Handbook 4000.1, the Nationwide Mortgage Limits do not apply to Streamline Refinance transactions.

### ◆ **VA Loan Limits**

The Department of Veteran's Affairs has announced the 2017 county loan limits effective for loans closed on or after January 1, 2017 in [VA Circular 26-16-36](#).

- VA loan limits will follow the Federal Housing Finance Agency (FHFA) limits published for 2017.
- VA's maximum guaranty amount will be based on the one-unit limit of \$424,100 as published by FHFA.
- The county loan limits do not apply to Interest Rate Reduction Refinancing Loans (IRRRLs) as VA will guarantee 25% of the loan amount, regardless of whether the loan exceeds the county limit.

◆ **Pricing and Underwriting**

**Pricing**

Loans may be locked using the new higher loan amounts effective **12/05/2016**. For loans currently locked looking to take advantage of the new loan limits, the request must be submitted to the Lock Desk at [secondary@franklinamerican.com](mailto:secondary@franklinamerican.com).

Standard pricing policy applies which may result in a price change. Additionally, if a lock has expired, worst-case pricing policy applies.

**Underwriting**

If the loan has been submitted to underwriting, and the borrower requests to take advantage of the loan limit increases, the loan must be re-submitted to Underwriting/AUS for consideration. **Regardless of lock status, all loans must be submitted/re-submitted to DU or LP/LPA and receive an Approve/Eligible or Accept recommendation in accordance with the time frames outlined above.**

*Thank you for your business!*

*Please contact FAMC Correspondent Underwriting for further clarification of any Underwriting related topics or your Regional Sales Associate about other topics addressed in this bulletin. This information should not be considered as all-inclusive guidelines. Please see our online manual and rate sheet for complete guidelines and pricing information.*

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