



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6045-N-01]

Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs

AGENCY: Office of the Assistant Secretary for Housing – Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: In accordance with Section 206A of the National Housing Act, HUD has adjusted the Basic Statutory Mortgage Limits for Multifamily Housing Programs for Calendar Year 2017.

DATES: January 1, 2017.

FOR FURTHER INFORMATION CONTACT: Daniel J. Sullivan, Deputy Director, Office of Multifamily Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-8000, telephone (202) 402-6130 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION: The FHA Down Payment Simplification Act of 2002 (Pub. L. 107-326, approved December 4, 2002) amended the National Housing Act by adding a new Section 206A (12 U.S.C. 1712a). Under Section 206A, the following are affected:

- I. Section 207(c)(3)(A) (12 U.S.C. 1713(c)(3)(A));
- II. Section 213(b)(2)(A) (12 U.S.C. 1715e (b)(2)(A));
- III. Section 220(d)(3)(B)(iii)(I) (12 U.S.C. 1715k (d)(3)(B)(iii)(I));
- IV. Section 221(d)(4)(ii)(I) (12 U.S.C. 1715l(d)(4)(ii)(I));

V. Section 231(c)(2)(A) (12 U.S.C. 1715v(c)(2)(A)); and

VI. Section 234(e)(3)(A) (12 U.S.C. 1715y(e)(3)(A)).

The Dollar Amounts in these sections are the base per unit statutory limits for FHA's multifamily mortgage programs collectively referred to as the 'Dollar Amounts.' They are adjusted annually (commencing in 2004) on the effective date of the Consumer Financial Protection Bureau's adjustment of the \$400 figure in the Home Ownership and Equity Protection Act of 1994 (HOEPA) (Pub.L. 103-325, approved September 23, 1994). The adjustment of the Dollar Amounts shall be calculated using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) as applied by the Bureau of Consumer Financial Protection for purposes of the above-described HOEPA adjustment.

HUD has been notified of the percentage change in the CPI-U used for the HOEPA adjustment and the effective date of the HOEPA adjustment. The percentage change in the CPI-U is 2.1 percent and the effective date of the HOEPA adjustment is January 1, 2017. The Dollar Amounts have been adjusted correspondingly and have an effective date of January 1, 2017.

These revised statutory limits, high cost areas and per unit cost thresholds for substantial rehabilitation may be applied to FHA multifamily mortgage insurance applications submitted or amended on or after July 1, 2017, so long as the loan has not been initially endorsed.

The adjusted Dollar Amounts for Calendar Year 2017 are shown below:

BASIC STATUTORY MORTGAGE LIMITS FOR CALENDAR YEAR 2017

Multifamily Loan Program

Section 207—Multifamily Housing

Section 207 pursuant to Section 223(f)—Purchase or Refinance Housing

Section 220—Housing in Urban Renewal Areas

Bedrooms	Non-Elevator	Elevator
0	\$ 51,575	\$ 60,158
1	\$ 57,133	\$ 66,657
2	\$ 68,244	\$ 81,734
3	\$ 84,116	\$ 102,368
4+	\$ 95,228	\$115,749

Section 213—Cooperatives

Bedrooms	Non-Elevator	Elevator
0	\$ 55,894	\$ 59,515
1	\$64,447	\$67,428
2	\$77,725	\$81,993
3	\$99,489	\$106,073
4+	\$110,837	\$116,438

Section 234—Condominium Housing

Bedrooms	Non-Elevator	Elevator
0	\$57,035	\$60,021
1	\$65,762	\$68,806
2	\$79,311	\$83,667
3	\$101,521	\$108,239
4+	\$113,098	\$118,812

Section 221(d)(4)—Moderate Income Housing

Bedrooms	Non-Elevator	Elevator
0	\$51,328	\$55,445
1	\$58,266	\$63,562
2	\$70,429	\$77,291
3	\$88,400	\$99,988
4+	\$99,890	\$109,758

Section 231—Housing for the Elderly

Bedrooms	Non-Elevator	Elevator
0	\$48,800	\$55,445
1	\$54,555	\$63,562
2	\$65,147	\$77,291
3	\$78,401	\$99,988
4+	\$92,173	\$109,758

Section 207—Manufactured Home Parks Per Space—\$23,678

PER UNIT LIMIT FOR SUBSTANTIAL REHABILITATION FOR CALENDAR YEAR 2017

The 2016 Multifamily Accelerated Processing (MAP) Guide established a base amount of \$15,000 per unit to define substantial rehabilitation for FHA insured loan programs. Section 5.1.D.2 of the MAP guide requires that this base amount be adjusted periodically based on the percentage change published by the Consumer Financial Protection Bureau or other inflation cost index published by HUD. Accordingly, the 2017 base amount per dwelling unit to determine substantial rehabilitation for FHA insured loan programs is \$15,315.

Environmental Impact

This issuance establishes mortgage and cost limits that do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Dated: October 31, 2017

Dana T.Wade
General Deputy Assistant Secretary for Housing

Billing Code: 4210-67

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