

FHA INFO #12-95

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New FHA Mortgagee Letter 12-26; Update to Property Flipping Waiver (Extended through 12/31/14)

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FHA Mortgagee Letter 12-26
Published: December 6, 2012

Subject: Federal Housing Administration Maximum Loan Limits, Effective Period: January 1, 2013, through December 31, 2013

Purpose: This Mortgagee Letter provides notice of the comprehensive update to the Federal Housing Administration's (FHA) single-family loan limits, issued under the authority of H.R. 2112, the Consolidated and Further Continuing Appropriations Act, 2012, Public Law 112-55. These limits apply to forward mortgages insured under the following sections of the National Housing Act (NHA): 203(b) (FHA's basic 1-4 family mortgage, including condominiums), 203(h) (mortgages for disaster victims), and 203(k) (rehabilitation mortgage insurance).

For forward mortgages, the loan limits apply to loans with case numbers assigned within the "Effective Period" stated below. Individual high-cost county loan limits are updated annually. The individual high-cost county loan limits are contained in Attachments I and II of this Mortgagee Letter. The FHA Floor and Ceiling loan limits will remain the same as those that were in effect as announced in ML 11-39.

This Mortgagee Letter also provides notice that the maximum claim amount and loan limits for Home Equity Conversion Mortgages (HECMs) are not affected by H.R. 2112, and remain subject to the limits set forth in section 255(g) and (m) of the NHA. The maximum claim amount and loan limit for HECMs remain at \$625,500.

To view this mortgagee letter in its entirety visit: <http://bit.ly/HUDml>

The loan limit data files have also been updated and posted for download from this site: http://www.hud.gov/pub/chums/file_layouts.html. For your information, please note the following:

COUNTIES WITH LOAN LIMIT INCREASES FOR CALENDAR YEAR 2013

For ease of reference, it has been identified that 19 counties had loan limits increase for Calendar year 2013. These counties and limit changes are noted below. All other counties remain unchanged.

MSA Code	MSA Name	State	County Code	County Name	2012 Limit	2013 Limit
99999	Non-Metro	AK	16	Aleutians West	\$356,500	\$379,500
11260	Anchorage, AK (MSA)	AK	20	Anchorage	\$347,500	\$355,350
99999	Non-Metro	AK	100	Haines	\$271,050	\$284,050
28980	Kodiak, AK (Micro)	AK	150	Kodiak Island	\$334,650	\$342,700
11260	Anchorage, AK (MSA)	AK	170	Matanuska-Susit	\$347,500	\$355,350
99999	Non-Metro	AK	185	North Slope	\$307,050	\$326,600
99999	Non-Metro	AK	195	Petersburg Cens	\$289,800	\$326,600
99999	Non-Metro	AK	261	Valdez-Cordova	\$271,400	\$288,650
99999	Non-Metro	AK	282	Yakutat City	\$388,700	\$412,850
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	15	Austin	\$271,050	\$272,550
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	39	Brazoria	\$271,050	\$272,550
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	71	Chambers	\$271,050	\$272,550
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	157	Fort Bend	\$271,050	\$272,550
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	167	Galveston	\$271,050	\$272,550
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	201	Harris	\$271,050	\$272,550
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	291	Liberty	\$271,050	\$272,550
26420	Houston-Sugar Land-Baytown, TX (MSA)	TX	339	Montgomery	\$271,050	\$272,550
26240	Houston-Sugar Land-Baytown, TX (MSA)	TX	407	San Jacinto	\$271,050	\$272,550
26240	Houston-Sugar Land-Baytown, TX (MSA)	TX	473	Waller	\$271,050	\$272,550

For further information on this notice, please visit the FHA FAQ site (<http://bitly.com/FHAFAQ>) or contact the FHA Resource Center by telephone at 1-800-CALL FHA (1-800-225-5342) or e-mail via answers@hud.gov. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.

Update to Property Flipping Waiver

In 2006, HUD published a final rule in the Federal Register amending regulations at 24 CFR 203.37a, prohibiting property flipping in the HUD/FHA single-family mortgage insurance programs by providing additional exceptions to the time restrictions on sales. The rule and Mortgagee Letter 06-14 became effective for mortgages endorsed for insurance on or after July 7, 2006.

For properties that do not meet the property flipping exception criteria, the property flipping waiver was recently extended through 12/31/14

<http://www.gpo.gov/fdsys/pkg/FR-2012-11-29/pdf/2012-28918.pdf>

While the waiver is designed to assist in the sale of excess inventory due to foreclosures, it is not limited to only foreclosed properties. However, the waiver does not apply the HECM transactions