



**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

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Special Attention of:

**Notice: PIH-2013-1 (TDHE)**

All Section 184 Approved Mortgagees,  
Indian Housing Authorities,  
Tribally Designated Housing Entities,  
Tribes and Participating Lenders

Issued: January 9, 2013  
Expires: This Notice remains in effect  
until amended, revoked or superseded.

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Cross Reference:

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**Subject:** Section 184 Indian Housing Loan Guarantee Program's Maximum Loan Limits Effective January 1, 2013.

- 1. Purpose:** The purpose of this Notice is to update the mortgage loan limits for the Section 184 Indian Housing Loan Guarantee program (Section 184). HUD is authorized to set Section 184 maximum loan limits pursuant to 12 U.S.C. § 1715z-13a(b). This Notice is effective for Section 184 loans with case numbers issued after December 31, 2012. In addition to adopting the most current median house prices, as established by the U.S. Census Bureau, this Notice establishes both "floor" and "ceiling" limits for the Section 184 program.
- 2. Applicability:** For all Section 184 program loans with case numbers issued on or after January 1, 2013.
- 3. Background:** The Section 184 program has historically used up to 150 percent of the median home price, as published in the American Community Survey (U.S. Census Bureau), to determine the loan amount it would guarantee for a given area.

With this notice, the Section 184 program is adopting a maximum loan limit based on the national conforming loan limit. The conforming loan limit is a national standard set by the Federal Housing Financing Agency, and is used by Freddie Mac and Fannie Mae.

HUD has determined that using a loan limit of 150 percent of the median home price is insufficient in remote tribal areas where construction costs are higher due to the cost of transporting goods and labor. It is necessary to establish a loan limit floor in order to provide access to housing in these areas.

- 4. Median Home Price:** Each calendar year, the Section 184 program will use the current median home price for a given area as published in the American Community Survey to determine maximum loan amounts. Properties located within metropolitan statistical areas, as determined by the Office of

Management and Budget, will have limits set by the county with the highest median price within the metropolitan area.

5. **Establishing a Maximum Loan Amount:** The maximum mortgage amount for a Section 184 guarantee cannot exceed the lesser of: 150 percent of the current median home price, *or* the national conforming limit as set by the Federal Housing Financing Agency (currently set at \$417,000).
6. **Establishing a Loan Limit “Floor”:** In many tribal areas, the remoteness of the tribe inflates the cost of construction. Additionally, there are many areas where the existing housing stock is impacted by the predominance of manufactured housing or housing in need of significant rehabilitation. This fact, combined with the fact that there is less demand for housing in these areas, has resulted in an artificially low median housing price for the area that is not an accurate indicator of the true cost for standard quality housing. In these areas, HUD will apply a loan limit “floor,” which will be 65 percent of the national conforming loan limit. The mortgage amount in these areas would be the greater of either 150 percent of the current median home price, *or* 65 percent of the national conforming limit. At no time will the Section 184 program guarantee a mortgage amount that exceeds the appraised value of a home.
7. **Refinancing Exception:** Refinance transactions involving a refinance of an existing Section 184-insured mortgage with a new Section 184-insured mortgage will be exempt from these new loan limits. However, the maximum loan amount for the new mortgage cannot exceed the original principal balance of the existing Section 184 mortgage.
8. **Contact Information:** If you have questions regarding this notice, please call the Section 184 Program Resource Center at 1-800-561-5913. Persons with hearing or speech impediments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.
9. **Current Loan Limits:** Loan limits for all counties eligible for a Section 184 insured mortgage can be found on the Section 184 Program HUD webpage:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/ih/homeownership/184](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/homeownership/184).

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