

MPF[®] Announcement

**MPF Announcement:**

2024-76

Date:

December 09, 2024

Alert:

Clarification
New Policy
Policy Update
Reminder
Training Information

Audience:

Compliance/Legal
Program Management
Origination
Quality Control
Servicing
Underwriting

Product:

MPF Government MBS
MPF Traditional
MPF Xtra[®]

Effective Date:

January 1, 2025

MPF Origination and Underwriting Policy Updates

Maximum Original Loan Amount—MPF Traditional Selling Guide Chapter 2.1 & MPF Government MBS Selling Guide Chapter 2.2*

The maximum original loan amounts for conventional mortgages has increased for 2025.

Reference

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

Visit the MPF Website to review and register for upcoming complimentary [MPF Webinars](#).

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Number of Units	Contiguous US, DC and Puerto Rico Loan Limits
1	\$806,500
2	\$1,032,650
3	\$1,248,150
4	\$1,551,250

Number of Units	Alaska, Hawaii and Virgin Islands
1	\$1,209,750
2	\$1,548,975
3	\$1,872,225
4	\$2,326,875

*The maximum total loan limits for MPF Government MBS Mortgage Loans are net of any financed mortgage insurance premium or funding fee as reflected on the Note.

Maximum Original Loan Amount—MPF Xtra Selling Guide Chapter 2.1

Originators must comply with the Fannie Mae Selling Guide regarding loan limits. For additional information, see the enclosed [Fannie Mae Lender Letter LL-2024-03](#)

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We have published an updated version of MPF Selling Guide Exhibit N, Conventional High-Cost Area Loan Limits, to reflect the increased loan limits.

The new loan limits are effective for loans with Funding Dates (i.e. the date the MPF Bank deposits funds into the PFI's account for the Mortgage Loan) on or after January 1, 2025.

If a loan exceeds the 2024 loan limits and has a Funding Date before January 1, 2025, it must be delivered under a high-balance Delivery Commitment. A Delivery Commitment for a loan that meets the 2025 conforming limits may be opened during 2024, provided that the Funding Date for that loan is on or after January 1, 2025. (Ex: A Delivery Commitment with a loan amount of \$806,500 may be opened in December 2024 as long as the loan's Funding Date is on or after January 1, 2025. If that same loan has a Funding Date before January 1, 2025, then it must be delivered under a high-balance Delivery Commitment).

Allowable Points and Fees—MPF Program Guide

Chapter 7.6.1 and Selling Guide Exhibit N

The Consumer Financial Protection Bureau (CFPB) has increased the loan amount thresholds and dollar amount caps that apply under the ability-to-repay and safe harbor qualified mortgage rules.

The following loan amount thresholds and points and fees caps apply to all conventional and government mortgages secured by a primary residence or second home with a loan application date on or after January 1, 2025. The “total points and fees” and “total loan amount” must be calculated in accordance with Regulation Z (12 CFR § 1026.32).

Loan Amount ¹	Percentage of the Total Loan Amount Cap ¹	Dollar Amount Cap
>= \$134,841	3%	N/A
> = \$ 80,905 and < \$134,841	N/A	\$4,045
> = \$26,968 and < \$80,905	5%	N/A
> = \$16,855 and < \$26,968	N/A	\$1,348
< \$16,855	8%	N/A

¹ For the loan amount categories with percentage caps, the PFI must apply the applicable percentage cap to the “total loan amount,” which may be less than the “loan amount.” (See Regulation Z, 12 CFR § 1026.43, for the term “loan amount,” and Regulation Z, CFR § 1026.32, for the term “total loan amount.”)



Lender Letter(LL-2024-03)

Nov. 26, 2024

To: All Fannie Mae Single-Family Sellers

Confirmation of Conforming Loan Limit Values for 2025

This Lender Letter establishes Fannie Mae loan limits for 2025. The Federal Housing Finance Agency (FHFA) has issued the conforming loan limit values that will apply to conventional loans to be acquired by us in 2025. The first mortgage conforming loan limit values are defined in terms of baseline loan limits and high-cost area loan limits. The limits are increasing in 2025.

Effective: The new limits are effective for whole loans delivered, and mortgage loans delivered into MBS with pool issue dates, on or after Jan. 1, 2025.

Whole loans delivered through Dec. 31, 2024 that are in “Purchase Requested” status in PE-Whole Loan and Loan Delivery must comply with the 2024 limits. MBS pools with Dec. 1, 2024 pool issue dates must comply with the 2024 limits, and MBS pools with Jan. 1, 2025 pool issue dates must comply with the 2025 limits (even if delivered in December). Lenders must ensure the appropriate identification of high-balance loans at delivery using Special Feature Code 808.

First mortgage conforming loan limit values

The following table contains the baseline (also known as “general”) loan limits for 2025.

Units	Baseline Loan Limits	
	Contiguous States, District of Columbia, and Puerto Rico	Alaska, Guam, Hawaii, and U.S. Virgin Islands
One	\$806,500	\$1,209,750
Two	\$1,032,650	\$1,548,975
Three	\$ 1,248,150	\$1,872,225
Four	\$1,551,250	\$2,326,875

The high-cost area loan limits are established for each county (or equivalent) and are published on [Fannie Mae’s website](#) and on [FHFA’s website](#). The following table contains the ceiling for the high-cost area limits for 2025.

Units	High-Cost Area Loan Limits*	
	Contiguous States, District of Columbia, and Puerto Rico	Alaska, Guam, Hawaii, and U.S. Virgin Islands
One	\$1,209,750	Not Applicable
Two	\$1,548,975	
Three	\$1,872,225	
Four	\$2,326,875	

* Several states (including Alaska and Hawaii), Guam, Puerto Rico, and the U.S. Virgin Islands do not have any high-cost areas in 2025.



High-cost area loan limits are derived from median home prices estimated by the Federal Housing Administration (FHA) of the Department of Housing and Urban Development (HUD). FHA will permit a 30-day appeals period during which requests for individual area median home price increases will be evaluated. FHFA will issue a subsequent announcement if any individual high-cost area loan limit is increased as a result of the appeals process. Updates resulting from subsequent FHFA announcements will be posted on our website.

Loans subject to the high-cost area limits are referred to as high-balance loans and must comply with the high-balance loan requirements described in the *Selling Guide*.

Application of the Limits Based on Original Loan Amount

All conforming loan limit values apply to the original loan amount of the mortgage loan, not to its balance at the time of purchase by Fannie Mae. Lenders are responsible for ensuring the original loan amount of each mortgage loan does not exceed the applicable loan limit for the specific area in which the property is located.

Desktop Underwriter® Implementation

The 2025 loan limits will be applied to Desktop Underwriter (DU®) loan casefiles submitted (or resubmitted) on or after the weekend of Dec. 7, 2024. Also note that loan casefiles underwritten through DU prior to Dec. 7 that receive an Ineligible recommendation due only to exceeding the 2024 loan limit may be delivered after Jan. 1, 2025 (or in Jan. 1, 2025 MBS pools). The loan casefile does not have to be resubmitted to DU if the only reason for the DU Ineligible recommendation is due to the loan amount, and the loan amount complies with the applicable 2025 conforming loan limit value.

NOTE: For loan applications dated, or loan casefiles created, before Dec. 7, 2024, the 2024 designation of high-cost or non-high-cost area will be used to determine the applicable area median income that applies to the first-time homebuyer LLPA waiver. On and after Dec. 7, 2024, the 2025 designations will be used.

Reference Materials

To assist lenders in determining the applicable limits, we post reference material on our website, including the [Area Median Income/Loan Limits Lookup Tool](#), which lenders can use to look up conforming loan limit values based on a specific address (or batch of addresses).

Lenders may contact their Fannie Mae Account Team if they have questions about this Lender Letter.
Have guide questions? Get answers to all your policy questions, straight from the source. [Ask Poli](#).