FHFA Conforming Loan Limit FAQs

Last Update: November 2026

Overview

1. What is the Conforming Loan Limit (CLL)?

The Conforming Loan Limit (CLL) is the maximum loan amount that Fannie Mae or Freddie Mac can purchase or acquire. Mortgages that exceed the applicable CLL are generally considered jumbo loans. The Federal Housing Finance Agency (FHFA) establishes the CLL annually, with the limit varying by geographic area based on guidelines established under the Housing and Economic Recovery Act of 2008 (HERA), as amended by subsequent legislation.

For more information, please visit the FHFA's Conforming Loan Limit webpage.

2. When does the new CLL become effective?

FHFA announces the updated CLL at the end of each November. Under the rules established by HERA, the new CLL takes effect on January 1 of the following year.

3. How do we calculate the CLL?

HERA requires the baseline loan limit to be adjusted annually to reflect changes in the national average home price. In October 2015, FHFA published a Final Notice in the Federal Register establishing that the annual adjustment would use the nominal, seasonally adjusted, expanded-data (EXP) version of the FHFA House Price Index® (FHFA HPI®).

The annual adjustment is based on the index percentage change in the U.S. between the third quarter (Q3) of the prior year and Q3 of the current year. The formula is:

(*current year Q3 FHFA HPI - prior year Q3 FHFA HPI) / (prior year Q3 FHFA HPI)*

An important caveat is that the CLL adjustment process differs during and immediately following a housing market downturn. In 2006, following a decline in home prices from 2005 to 2006, the Office of Federal Housing Enterprise Oversight (OFHEO), the predecessor to the FHFA, announced in November 2006 that it would maintain the 2007 loan limit at its 2006 level, deferring the reduction for one year. The same approach was applied to the 2008 loan limits.

In 2008, the Housing and Economic Recovery Act (HERA) established statutory requirements governing adjustments to the baseline loan limit. Under HERA, the baseline loan limit must remain unchanged when the national average home price is flat or declining. Furthermore, following a period of declining home prices, the prior declines must be fully offset before the baseline loan limit can increase. In effect, any cumulative decline in home prices must be completely recovered before an upward adjustment to the loan limit is permitted.

Consequently, the baseline loan limit established in 2006 remained unchanged through 2016, with the first subsequent increase taking effect in 2017.

For additional information, please refer to the Addendum on the FHFA CLL webpage.

4. Can the CLL decrease?

No. Since 2008, HERA's statutory adjustment rules have prevented the baseline conforming loan limit (CLL) from decreasing when the applicable home-price index declines. Instead, the baseline limit remains unchanged until cumulative home-price appreciation fully offsets the decline, and the index exceeds its pre-decline level.

FHFA applies a similar hold-harmless approach to county-level loan limits to prevent decreases. This protection applies when a county's median home value declines relative to the prior year. This also applies when a county loses its high-cost area designation and its median home value, considered independently, would otherwise result in a lower loan limit.

5. Why do we use the expanded-data FHFA HPI?

FHFA adjusts the CLL using its national, nominal, seasonally adjusted, expanded-data House Price Index (HPI).

Prior to the enactment of HERA, FHFA used the Mortgage Interest Rate Survey to adjust loan limits. Following the decline in home prices beginning in 2007, and the extended period during which baseline loan limits remained unchanged, FHFA began evaluating alternative measures for adjusting the limits. In May 2015, FHFA published a Notice and Request for Input proposing the use of the nominal, seasonally adjusted, expanded-data HPI for this purpose. After receiving generally favorable feedback, FHFA issued a Final Notice in October 2015 confirming its decision to adopt the expanded-data HPI.

FHFA selected the expanded-data HPI in part because it captures a broader range of housing transactions than its existing purchase-only HPI, which relies exclusively on Enterprise transaction data. Although both indexes follow the same general methodology, the expanded-data HPI incorporates two additional sources of transaction data: home purchases financed with FHA-endorsed loans and sales transactions recorded in county recorder offices nationwide.

These supplemental data sources provide a broader and more representative measure of national home price changes than an index based solely on Enterprise transactions. Although FHFA's various HPIs generally reflect similar national housing price trends, the expanded-data HPI is particularly well suited for adjusting the CLL because its broader transaction sample more comprehensively captures activity across the housing market.

6. What is the baseline loan limit?

The baseline loan limit is the maximum loan amount for a one-unit property that the Enterprises may purchase in a given year, subject to certain exceptions for designated high-cost and statutory areas. It establishes the standard loan limit nationwide and restricts the size of loans eligible for purchase by Fannie Mae and Freddie Mac but does not limit the purchase price of a home.

Loan limits vary by county and the number of property units. Each county is assigned a local loan limit, with more than 95 percent of counties subject to the baseline limit. However, the applicable limit increases for properties with two to four units.

Under HERA, designated high-cost areas may have loan limits of up to 150 percent of the baseline limit to account for higher local housing costs. These limits are generally calculated

as 115 percent of the highest county median home price within the applicable local area, subject to the statutory ceiling of 150 percent of the baseline limit. Local areas are defined using core-based statistical areas (CBSAs), which include both metropolitan and micropolitan statistical areas.

Loan limits are also higher in statutorily designated areas; Alaska, Hawaii, Guam, and the U.S. Virgin Islands. The limits in these areas cannot exceed 150 percent of the high-cost ceiling.

7. How are loan limits set in high-cost areas?

HERA establishes high-cost area loan limits based on local-area median home values. Specifically, the CLL must be increased in areas where 115 percent of the applicable median home value exceeds the baseline CLL, subject to a statutory cap of 150 percent of the baseline limit.

For purposes of these calculations, counties are grouped into core-based statistical areas (CBSAs), as designated by the Office of Management and Budget (OMB). FHFA coordinates with the Department of Housing and Urban Development (HUD to calculate CBSA-wide median home values using the median home price of the highest-cost county within each CBSA. All counties within a CBSA are then assigned the same loan limit. When the resulting calculated limit exceeds the baseline CLL, a higher, high-cost area loan limit is established, subject to the statutory ceiling.

8. How many counties are in high-cost areas?

The United States has over 3,000 counties or county-equivalent jurisdictions. In any given year, roughly 100 to 200 of them qualify for high-cost limits that exceed the baseline limit.

9. Why are some loan limits not exact multiples of percentage change or median home values?

Minor rounding happens for baseline and high-cost area loan limits. We round baseline loan limits down to the nearest $50 and high-cost area loan limits down to the nearest $25.

10. What are the loan limits in Alaska, Hawaii, Guam, and the U.S. Virgin Islands?

HERA grants Alaska, Hawaii, Guam, and the U.S. Virgin Islands loan limits that, at minimum, are 50 percent above the country's baseline limit. Essentially, the baseline loan limit for these select areas is 150 percent of the national baseline.

11. Can Fannie Mae and Freddie Mac acquire seasoned loans?

Fannie Mae and Freddie Mac occasionally acquire loans originated in previous years. The loan limit for those "seasoned" acquisitions depends on the loan's year of origination, physical location, and number of units. Under a series of previously enacted laws (including the Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, Public Law 111-88, and Public Law 111-242), higher CLLs apply to Fannie Mae and Freddie Mac acquisitions of certain seasoned mortgages until 2023. The applicable loan limit for such seasoned loans was as high as $729,750 for one-unit properties in the contiguous United States. In 2024, the baseline loan limit surpassed the limit set for these seasoned loans and the

Enterprises will no longer be required to select the higher of the two limits to determine eligibility.

12. Where can I find the loan limits for prior years?

Beginning in 2009, we provide annual loan limits for every county on the CLL webpage. These files specify county-level limits based on the number of units in a property (one to four units) and reflect the provisions of the Housing and Economic Recovery Act (HERA).

For 2008, the webpage provides the national CLL, as well as the temporary conforming loan limits applicable to loans originated between July 1, 2007, and December 31, 2008, in designated high-cost areas. For years prior to 2008, we provide national CLLs.

13. What is the origin of the CLLs and how did these limits evolve?

The concept of the conforming loan limit (CLL) has evolved over time. Initially referred to as the "maximum loan limit," the term later changed to "conforming loan limit," which is now established by the Federal Housing Finance Agency (FHFA).

The Emergency Home Finance Act of 1970 (the Act) chartered Freddie Mac to provide a secondary mortgage market for savings and loan associations (thrifts) and other originators of conventional mortgages. The Act also authorized Fannie Mae to purchase conventional mortgages and established an initial CLL of $33,000 for both Enterprises. The Act set the CLL 50 percent higher for three statutorily designated high-cost areas: Alaska, Hawaii, and Guam. The U.S. Virgin Islands was added to this list later.

The charters of Fannie Mae and Freddie Mac prohibit the Enterprises from purchasing single-family mortgages with unpaid principal balances exceeding the applicable CLL. Congress subsequently increased the limit to $60,000 in 1977 and $67,500 in 1979.

The Housing and Community Development Act of 1980 increased the CLL to $93,750 and established a formula for indexing future annual increases to changes in average home prices (12 U.S.C. 1717(b)(2) for Fannie Mae and 12 U.S.C. 1454(a)(2) for Freddie Mac). Under this formula, the limits were adjusted annually to reflect changes in the national average purchase price of conventionally financed single-family homes, as measured by the Federal Housing Finance Board's (FHFB's) Monthly Interest Rate Survey (MIRS). Statutory language provided for annual adjustments to the limits each January based on the percentage increase over the 12-month period ending in October of the preceding year, as measured by the MIRS.

The 1980 Act also broadened the CLL implementation and applied the existing business practices of the multi-unit concept to cover mortgages financing properties with two, three, and four units. The initial limits were $120,000 for two-unit properties, $145,000 for three-unit properties, and $180,000 for four-unit properties. These limits were indexed using the same methodology applied to one-unit properties. Although the formula and methodology for calculating annual CLL adjustments remained largely unchanged, the Housing and Community Development Act of 1992 formally introduced the term "conforming loan limit."

In 2008, Congress enacted the Housing and Economic Recovery Act of 2008 (HERA). Section 24, titled "Conforming Loan Limits," of the Federal Housing Finance Regulatory Reform Act of 2008 established FHFA's authority over the limits and provided the following statutory maximums:

"Such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, and $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning after the effective date of the Federal Housing Finance Regulatory Reform Act of 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase, during the most recent 12-month or 4-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 4542 of this title)."

Coverage

14. What is the geographic level where loan limits are set?

CLL is based on the county or county equivalent where a property is located. Some properties, however, may benefit from belonging to a CBSA where other counties have higher median home values. In such cases, the limit is based on the county with the highest median price and that limit is set for every county in the CBSA.

15. What is CBSA?

A CBSA refers to either a metropolitan or a micropolitan statistical area. They comprise the central county or counties containing a large population core, plus adjacent outlying counties having a high degree of social and economic integration with the core. This forms the statutory definition of "local areas."

For more information, see 2020 Standards for Delineating Metropolitan and Micropolitan Statistical Areas.

16. Which version of CBSA delineations is currently used by FHFA?

FHFA uses the revised metropolitan and micropolitan statistical areas and divisions as OMB defined in July 2023 OMB Bulletin No. 23-01, Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations.

17. How does FHFA handle previous versions of CBSA definitions?

FHFA uses the most current CBSA definitions and does not assign properties into prior delineations utilized during an earlier transaction year. As an example, we outline a recent set of delineations in the 2025Q1 FHFA HPI report, where a Technical Note explains the transition to new definitions that impacted multiple metropolitan statistical areas.

U.S. Department of Veterans Affairs (VA) Loan Limits

18. Are VA loan limits the same as the FHFA CLL?

No. Prior to January 1, 2020, VA home loan limits were the same as the FHFA limit. With the passage of the Blue Water Navy Vietnam Veterans Act of 2019, veteran borrowers are no longer limited to the FHFA CLL.

19. What is the Blue Water Navy Vietnam Veterans Act of 2019?

The Blue Water Navy Vietnam Veterans Act of 2019, Public Law 116-23, became law on June 25, 2019. It took effect January 1, 2020, and states that VA-guaranteed home loans will no longer be limited to the FHFA CLL. Veterans can still obtain no-down payment, VA-backed home loans in all areas, regardless of loan amount. For more information, see https://benefits.va.gov/homeloans/bwnact.asp.

20. How do I get more information on VA home loans?

Contacting VA directly is the best way to get answers about eligibility, guaranty questions, the lending process, or other matters related to the program. More information can be found at https://www.va.gov/housing-assistance/home-loans/loan-limits/. To speak with a VA Loan Specialist or find the nearest VA Regional Loan Center, call (877)-827-3702.

FHA Loan Limits

21. Are FHA loans limited by the FHFA CLL?

FHA loans are not limited by the baseline FHFA CLL but are based on the values. FHA calculates forward mortgage limits based on the median house prices in accordance with the National Housing Act. These limits are set at or between the low-cost area and high-cost area limits based on the median house prices for the area.

Low-cost area mortgage limits are set at 65 percent of the national conforming loan limit.

High-cost area mortgage limits are set at 150 percent of the national conforming loan limit.

For more information on these limits, please see the applicable Mortgagee Letter.

22. Do FHA loan limits address claim amounts for home equity conversion mortgages (HECMs)?

FHA publishes a separate Mortgagee Letter to cover claim amounts for HECMs. For more information on these claim amounts, see: https://www.hud.gov/hudclips/letters/mortgagee.

23. Where can I find FHA mortgage limits?

For more information on current FHA mortgage limits, see: https://entp.hud.gov/idapp/html/hicostlook.cfm.

For more information on their Computerized Home Underwriting Management System's (Chums) data files and file description, see: https://apps.hud.gov/pub/chums/file_layouts.html.

U.S. Department of Agriculture (USDA) Loan Limits

24. Does the USDA have similar single family loan limits?

The USDA's Rural Housing Services (RHS) has loan limits and requirements that differ from other government programs and depend on the program being utilized. For example, the Single-Family Housing Guaranteed Loan Program requires property to be in a rural area. Additional eligibility requirements account for factors like household size and income (being below 115% of area median income), owner occupancy, borrower immigration status, and the inability to obtain certain other financing. The Single-Family Housing Direct Home Loan Program limits the county-level area loan amount to not exceed 80% of the local HUD 203(b) loan limit.

For more information on USDA's Guaranteed Home Loan program, the webpage, program fact sheet, and a map, go to:

- https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program
- https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RHS_SFHGLP.pdf
- https://www.rd.usda.gov/files/RD-GRHLimitMap.pdf

For more information on USDA's Direct Home Loan program, see the webpage, fact sheet, and map at:

- https://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans
- https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RHS_SFH502Direct.pdf
- https://www.rd.usda.gov/files/RD-SFHAreaLoanLimitMap.pdf

25. Where can I find more information on conforming loan limits?

The CLL webpage provides information about loan limits and links to helpful documents and tools.

26. If I have additional or more specific questions, who can I contact?

For additional questions, please contact LoanLimitQuestions@fhfa.gov.