



Your Easiest Path
to Mortgage Lending™

Mod Corr Partner Announcement

“Striving to be the Best...not the biggest.”

Issue Date 12/07/16

Effective Date As Noted

MCPA 2016-015

2017 Loan Limit Increases

Purpose

This announcement includes the following topics:

- ✓ Maximum Loan Limit Increase for Conventional Loans.
- ✓ Maximum Loan Limit Increase for FHA and VA Loans, .

Effective Date

Effective Immediately for Conventional Loans, but loan cannot close/disburse until after January 1, 2017. .

- ✓ FHA and VA loan amount increases effective as of January 1, 2017, and as per Mortgagee Letter 2016-20 and VA Circular 26-16-36.

Loan Limit Increases

Maximum Loan Limit Increase for Conventional Loans

The Federal Housing Finance Agency (FHFA) has issued the maximum loan limits that apply to Conventional loans to be acquired by Fannie Mae and Freddie Mac in 2017. In most of the country, the 2017 maximum loan limit for one-unit properties will be \$424, 100, an increase from \$417, 000, which is the first increase in the baseline loan limit since 2006. Higher loan limits will be in effect in higher cost areas. The high- cost area loan limits are established for each country (or equivalent) and are published on the Fannie Mae and FHFA websites. See also: Loan Limit GeoCoder to look up loan limits based on a specific address.

MSI is aligning with agency guidelines and implementing the increased 2017 loan limits effective for loans locked on or after December 7, 2016. The applicable Product Summaries will be revised as a result of this update:

Standard Conventional and High Balance/Super Conforming Product; and Medical Doctor Loan Product





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<i>Conforming Loan Limits</i>	<i>2016 Limit</i>	<i>2017 Limit</i>
1-Unit	\$417,000	\$424,100
2-Unit	\$533,850	\$543,000
3-Unit	\$645,300	\$656,350
4-Unit	\$801,950	\$815,650

<i>High Balance/Super Conforming Loan Limits</i>	<i>2016 Limit</i>	<i>2017 Limit</i>
1-Unit	\$625,500	\$636,150
2-Unit	\$800,775	\$814,500
3-Unit	\$967,950	\$984,525
4-Unit	\$1,202,925	\$1,223,475

Maximum Conforming Loan Limit Increase for FHA and VA Loans

MSI has also increased the maximum conforming loan limit for FHA and VA loans to \$424,100. Loans >\$424,100 will be considered High Balance (FHA) or Jumbo (VA). Please continue to follow the FHA limits on the HUD.gov website.

For case numbers assigned on or after January 1, 2017:

Low Cost Areas set at 65% of the national conforming limit:

- One Unit: \$275,665
- Two Unit: \$352,950
- Three Unit: \$426,625
- Four Unit: \$530,150

High Cost Areas set at 150% of the national conforming limit:

- One Unit: \$636,150
- Two Unit: \$814,500
- Three Unit: \$984,525
- Four Unit: \$1,223,475

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County loan limits do not apply to Interest Rate Reduction Refinancing Loans (IRRRLs) as VA will guarantee 25% of the loan amount, regardless of whether the loan exceeds the county limit.





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Underwriting If a loan has been submitted and/or underwritten, and the borrower requests to take advantage of the loan limit increase, the loan must be re-disclosed and re-submitted to Underwriting and the AUS updated accordingly.
Standard Loan Limit Loans must be submitted through the AUS on or after the weekend of December 10, 2016 to be eligible for the new 2017 loan limits.
High Balance Loan Limit Loans must be submitted on or after January 1, 2017, to be eligible for the new 2017 high-cost area loan limits.

Seller Guide The Seller Guide will be updated within 2 business days of this announcement.

Questions If you have questions, please contact your Account Executive.

MCPA-2016-015

This communication is intended for use only by mortgage professionals and business partners of Mortgage Services III, LLC (MSI).

