

This Just In...  
**Product UPDATE!**



12-14-2018

Product Update **18-67**

## 2019 Loan Limits on **FHA, VA, and USDA** Products

PRMG will accept the new loan limits on government products effective January 1, 2019. See each section below for specific requirements by product type. It has not yet been announced when AUS systems will be updated to reflect the new limits.

### **FHA**

As announced today in Mortgagee Letter 2018-11 the low-cost and high-cost county limits have increased **effective with case numbers assigned on or after January 1, 2019**. Loan limits are county specific. The low-cost areas mortgage limits have increased to:

- One-unit: \$314,827
- Two-unit: \$403,125
- Three-unit: \$487,250
- Four-unit: \$605,525

High-cost areas are also county specific, and the highest limits, excluding Hawaii and Alaska are:

- One-unit: \$726,525
- Two-unit: \$930,300
- Three-unit: \$1,124,475
- Four-unit: \$1,397,400

Some counties may have limits that fall between the low-cost and high-cost areas. Hawaii and Alaska have higher high-cost limits. At this time HUD has not issued an announcement if they will allow existing cases to be cancelled and appraisals to be reused due to the new loan limits. So at this time, unless guidance is provided by HUD, it is not allowed. Minimum loan amounts for high

balance products will be determined by case assignment date as well. For cases assigned on or after January 1, 2019, the minimum loan amount for high balance products for a one unit property will be \$484,351 and for cases assigned prior to January 1, 2019 will continue to be \$453,100 (2-4 units will have increased minimum loan amount requirements as well).

## **VA**

As recently announced by VA, effective on January 1, 2019, VA's effective loan limits will match the county specific conforming loan limit as determined by the FHFA who previously announced that loan limit will be increasing. Please note, the county loan limits do not apply to VA IRRRLs. All loans **closed on or after January 1, 2019**, will be eligible to close with the higher loan limit.

As a reminder, Veterans are able to use their VA Home Loan Guaranty benefit regardless of loan amount, but in order to purchase homes with loan amounts above the conforming loan limits, Veterans may be required to make a down payment on amounts in excess of the conforming loan limit. The VA guaranty plus any required down payment must total 25% of the loan amount.

## **USDA**

For all loans **locked on or after January 1, 2019**, the max loan amount will be \$484,350.

## **Loan Amount Changes**

Regardless of product, after the applicable AUS system has been updated to reflect the new loan limits, findings may not indicate the loan is ineligible due to the new loan limits. Before the AUS system is updated, the underwriter must confirm the only reason for ineligible is due to the loan limits (unless it is for another specific product that will allow an "ineligible" finding, for instance the HUD Repair Escrow product.) Existing loans can be resubmitted to the applicable AUS system take advantage of the higher limits, but would be subject any standard underwriting and pricing policies for loan amount changes. Additionally, lock extensions may be required as a result of the change (the loan may need to be restructured, underwriter may need to review, etc.). In the event a lock extension is required, PRMG will not waive any extension fees incurred as a result of the relock/restructure. Please contact [Secondary@prmg.net](mailto:Secondary@prmg.net) to adjust existing locks, when allowed.

## **Link to Loan Limits**

Click [here](#) to determine maximum loan limits available by county (once it is updated). Be sure to select the appropriate limit year (i.e., 2019). For the "Limit Type" on FHA select FHA Forward. For the "Limit Type" on VA select

Fannie/Freddie, but, for VA, the 1 unit column applies as the maximum loan limit regardless of property type/units.

## Product Profiles

Product profiles will be updated soon to reflect the new loan limits, as applicable.



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