



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

November 18, 2015

MORTGAGEE LETTER 2015-28

TO: ALL FHA APPROVED MULTIFAMILY MORTGAGEES

SUBJECT: Annual Base City High Cost Percentage and High Cost Area Revisions
for 2015

Maximum mortgage amounts were revised by the Consolidated Appropriations Act, 2008 (Public Law 110-161, approved December 26, 2007) (FY 2008 Appropriations Act). Section 221 of the General Provisions of Title II of Division K of the FY 2008 Appropriations Act revises the statutory exceptions to maximum mortgage amounts for the FHA Multifamily Housing Programs, listed in Section 221 of the FY 2008 Appropriations Act, by (1) substituting 170 percent for the 140 percent exception of any geographical area, and (2) substituting 215 percent for 170 percent as the maximum exception allowed for a specific project. Accordingly, the statutory revision allows the Secretary to grant exceptions to maximum mortgage limits for certain Multifamily Housing Programs by (1) up to 170 percent, (equivalent to a 270 percent multiplier) in geographical areas where cost levels so require or (2) up to 170 percent, or 215 percent in High Cost Areas, (equivalent to a 315 percent multiplier) where necessary on a project-by-project basis.

The law does not determine which areas are to be considered "High Cost Areas." Accordingly, the Office of Multifamily Production has developed a list of High Cost Areas for 2015. The threshold for a High Cost Area has been set for all areas (Special Limit Areas excepted) with a "calculated" High Cost Percentage (HCP) of 281.70 or greater, but because of the statutory cap of 170% or 270 multiplier, some localities have a higher HCP but still have the 270 multiplier.

The attached designated Annual Base City High Cost Percentages and High Cost Areas are effective January 1, 2015.

SPECIAL LIMIT AREAS

Guam, the U.S. Virgin Islands, and the states of Alaska and Hawaii are Special Limit areas. Care should be taken to ensure that the appropriate limits are used for corresponding programs. The HCP for Special Limit Areas is 405%.

Paperwork Reduction Act

There are no information collection requirements in this Notice and therefore the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) does not apply. In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Edward L. Golding
Principal Deputy Assistant Secretary

Attachment

FHA MULTIFAMILY STATUTORY MORTGAGE PROGRAMS
BASE CITY HIGH COST PERCENTAGES

Effective January 1, 2015

<u>Boston MA Hub</u>	270%	<u>Detroit MI Hub</u>	270%
Hartford CT	270%	Grand Rapids MI	246%
Bangor ME	270%		
Manchester NH	270%	<u>Minneapolis MN Hub</u>	270%
Providence RI	270%	Milwaukee WI	270%
Burlington VT	270%		
		<u>Fort Worth TX Hub</u>	217%
<u>New York NY Hub</u>	270%	Little Rock AR	217%
Buffalo NY	270%	New Orleans LA	221%
Albany NY	270%	Shreveport LA	216%
		Albuquerque NM	247%
<u>Philadelphia PA Hub</u>	270%	Dallas TX	217%
Charlestown WV	270%	Houston TX	213%
Camden NJ	270%	Lubbock TX	209%
Newark NJ	270%	San Antonio TX	193%
Pittsburg PA	270%		
Wilmington DE	270%	<u>Kansas City MO Hub</u>	270%
		Des Moines IA	217%
<u>Baltimore MD Hub</u>	270%	Topeka KS	238%
Washington DC	270%	St. Louis MO	270%
Richmond VA	265%	Omaha NE	228%
		Oklahoma City OK	230%
<u>Greensboro NC Hub</u>	239%	Tulsa OK	226%
Columbia SC	244%		
		<u>Denver CO Hub</u>	270%
<u>Atlanta GA Hub</u>	258%	Helena MT	251%
Louisville KY	245%	Fargo ND	248%
Knoxville TN	227%	Sioux Falls SD	234%
Memphis TN	219%	Salt Lake City UT	266%
Nashville TN	223%	Casper WY	261%
San Juan PR	270%		
US Virgin Isl. (spec limit)	405%	<u>Los Angeles CA Hub</u>	270%
		Santa Ana CA (LA)	270%
<u>Jacksonville FL Hub</u>	250%	San Diego CA	270%
Birmingham AL	221%		
Jackson MS	217%	<u>San Francisco CA Hub</u>	270%
Miami FL	256%	Phoenix AZ	254%
Tampa FL	268%	Sacramento CA	270%
		Honolulu HI (spec limit)	405%
<u>Chicago IL Hub</u>	270%	Las Vegas NV	270%
Springfield IL	270%		
Indianapolis IN	251%	<u>Seattle WA Hub</u>	270%
		Anchorage AK (spec limit)	405%
<u>Columbus OH Hub</u>	256%	Boise ID	270%
Cleveland OH	270%	Portland OR	270%
Cincinnati OH	245%	Spokane WA	270%

Note: Offices with a “calculated” HCP of 281.70 (before the statutory cap of 270) or higher are designated “High Cost Areas” and are shaded. The Multifamily for Tomorrow (MFT) Transformation will be effective for all Hubs after Wave 5 is complete for the Western Region in approximately Summer of 2016. The next Mortgagee Letter on this topic will reflect the MFT changes with respect to the new organizational structure.