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## FHFA Ups Conforming Loan Limit to \$424,100

After leaving them in a holding pattern for 10 long years the Federal Housing Finance Agency (FHFA) has raised conforming loan limits for mortgages acquired by Fannie Mae and Freddie Mac. **Separate loan limit announcements are expected shortly** from FHA and the Veterans Administration.

The current loan limit, **\$417,000**, has been in place since 2006. When the housing crisis hit, the Housing and Economic Recovery Act of 2008 (HERA) set the baseline loan limit at that existing level for one to four family houses in most of the U.S. and required it be adjusted each year to reflect any changes in the national average home price. When prices continued to decline HERA also made clear that the baseline could not be adjusted upward until the average U.S. home price returned to its pre-decline level.

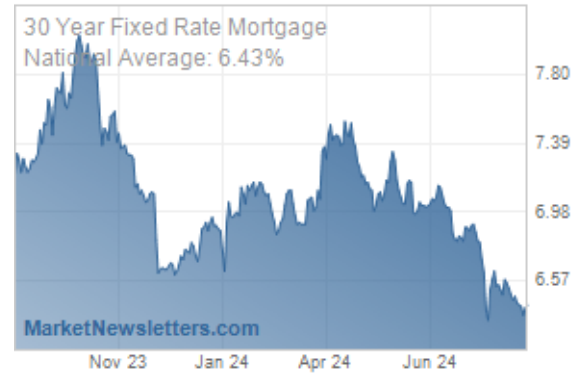
As reported here, FHFA reported on Wednesday that its third quarter House Price Index (HPI) is now 1.7 percent higher than in the third quarter of 2007 and the agency has raised conforming loan limits by 1.7 percent to **\$424,100**. The new loan limits are effective as of January 1, 2017.

FHFA designates as so-called high-cost areas, markets where **115 percent** of the local median home value exceeds the baseline loan limit. HERA sets the maximum loan limit as a function of the area median home value with a ceiling on the limit of 150 percent of the baseline limit. Under this formula, the new limit for the highest cost areas will have a ceiling of \$636,150 in 2017. Other counties will have limits below that amount, but higher than the new baseline. FHFA said as a result of generally rising home values, the increase in baseline loan limit, and the rise in the ceiling loan limit, the maximum loan limit rose in all but 87 counties (or county equivalents) in the country.

There are additional separate calculations for **Alaska, Hawaii, Guam, and the U.S. Virgin Islands** for one-unit properties with additional exceptions for some especially high cost specific locations.

A list of the maximum conforming loan limits for all counties and county-equivalent areas can be found at <http://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx>, along with a link to a map showing loan limits across the county.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.43%	<b>+0.02</b>	0.00
15 Yr. Fixed	5.95%	<b>0.00</b>	0.00
30 Yr. FHA	5.82%	<b>+0.02</b>	0.00
30 Yr. Jumbo	6.62%	<b>0.00</b>	0.00
5/1 ARM	6.28%	<b>-0.01</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.35%	<b>-0.51</b>	0.00
15 Yr. Fixed	5.51%	<b>-0.65</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	6.44%	<b>-0.06</b>	0.54
15 Yr. Fixed	5.88%	<b>-0.16</b>	0.68
30 Yr. FHA	6.36%	<b>-0.06</b>	0.85
30 Yr. Jumbo	6.75%	<b>+0.07</b>	0.39
5/1 ARM	5.98%	<b>-0.27</b>	0.65

Rates as of: 8/30

## Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

## Service oriented, responsive, competitive rates and an in depth knowledge of todays mortgage market

Value Change

51 +6.25%

After completing my degree in finance at the University of Connecticut, I started in the mortgage business right out of college in 2004. With 15+ years of experience and a primary objective of thoroughly explaining all available loan options to my clients with what is typically the largest investment in their lives, I strive to always make myself available. I constantly educate myself with respect to the mortgage industry and underwriting guidelines for FHA, VA, conventional and jumbo financing. I deliver on the expectations discussed up front and provide the service level my clients deserve from day one. I will remain in touch throughout the process and continue to follow up with you after closing. My goal is to wow you and turn you into clients for life. I want you to be so impressed that throughout and after the process you share my information with your friends, family, neighbors and co-workers who may value from my services.

**Steve Chizmadia**

