

Bulletin

NUMBER: 2010-28

TO: Freddie Mac Sellers

November 19, 2010

2011 LOAN LIMITS

With this *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin, Freddie Mac is announcing that, in accordance with an announcement made today by the Federal Housing Finance Agency (FHFA), we are maintaining temporary loan limits in designated high-cost areas at 2010 levels through **September 30, 2011**; the base conforming loan limits for 2011 will also remain at their 2010 levels.

BACKGROUND

Today, FHFA announced that, under terms set forth in a recently-enacted Congressional continuing resolution (Public Law Number 111-242), the maximum conforming loan limits for Mortgages secured by properties located in designated high-cost areas that are originated in the first nine months of 2011 will remain unchanged from existing loan limits for 2010 originations. The base conforming loan limits will also remain at their 2010 levels through 2011.

BASE CONFORMING LOAN LIMITS

The base conforming loan limits for 2011 will remain at the current levels (\$417,000 for 1-unit properties; higher limits apply for 2- to 4-unit properties and properties in Alaska, Guam, Hawaii and the U.S. Virgin Islands).

Guide Section 23.3, *Maximum Original Loan Amounts for Home Mortgage Purchases*, will be updated in a future Bulletin to reflect these 2011 base conforming loan limits.

LOAN LIMITS IN DESIGNATED HIGH-COST AREAS – SUPER CONFORMING MORTGAGES

The Housing and Economic Recovery Act of 2008 (HERA) allows for higher limits, currently up to \$625,500 for a one-unit single-family residence, in designated high-cost areas. In addition, in certain designated high-cost areas, the temporary higher loan limits are the higher of the temporary limits established by the Economic Stimulus Act of 2008 (ESA) (maximum of \$729,250 for a one-unit single-family residence) and the permanent high-cost limits established by HERA. (Under HERA and ESA, higher maximum limits apply in Alaska, Guam, Hawaii, and the U.S. Virgin Islands.)

Under the Congressional continuing resolution, the higher of the ESA or HERA maximum permitted loan limits will continue to apply to Mortgages with Note Dates on or after **October 1, 2010** and on or before **September 30, 2011**. Actual loan limits for a specific high-cost area may be lower than the maximum permitted loan limit.

The high-cost area loan limits are derived from median home values estimated by the Federal Housing Administration (FHA) of the Department of Housing and Urban Development (HUD) to determine its own lending limits. FHA will allow a 30-day appeals period to evaluate individual requests for area median home value increases. If an individual high-cost area loan limit is increased as the result of an appeal, FHFA will issue a subsequent announcement and Freddie Mac will advise Sellers of the increase on FreddieMac.com.

The extension of the temporary high-cost area loan limits through **September 30, 2011** applies to super conforming Mortgages with Note Dates on or after **October 1, 2008** and on or before **September 30, 2011**.

Section L33.2, *Maximum Original Loan Amounts for Super Conforming Mortgages*, will be updated in a later Bulletin to reflect the extension of the temporary loan limits through **September 30, 2011**.

CONCLUSION

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call (800) FREDDIE.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia J. McClung". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Patricia J. McClung
Vice President
Offerings Management