



2025 FHA CONFORMING LOAN LIMITS

Effective January 1, 2025, the FHA’s minimum national loan limit floor will be \$524,225 for a one-unit property which is set at 65 percent of the national conforming loan limit (\$806,500). This floor applies to those areas where 115 percent of the median home price is less than the floor limit. Any area where the loan limit exceeds this floor is considered a high-cost area.

In these areas, FHA establishes varying loan limits above the floor based upon the respective median home prices in each area. In about 65 high-cost areas of the country, the FHA’s loan limit ceiling will increase even more - from \$1,149,825 to \$1,209,750. High-cost areas are places where 115% of the median home price is greater than the floor.

What is the FHA Loan Limit?

The Federal Housing Administration, or FHA, was created to support low to moderate income homebuyers. The FHA sets loan limits each year for buyers utilizing FHA loans (any loan from a bank or mortgage company that is insured or backed by the FHA) and those limits are based on the average home price for the area in which you are buying a home. The more expensive the average home, the higher the loan limit. The limit is calculating at 11% of the area’s median home price, or 150% in high-cost areas.

Each year, the FHA adjusts the loan limits based on the most current sales data available. The loan limits fluctuate with the industry, rising and decreasing with home prices. This is to ensure that buyers in high-cost areas have a fair chance at securing a loan that can help them get into an expensive market.

Forward Mortgage Loan Limits effective January 1, 2025:

PROPERTY SIZE	LOW-COST AREA “FLOOR”	HIGH-COST AREA “CEILING”	Alaska, Hawaii, Guam, and U.S. Virgin Islands “Ceiling” ¹
One-Unit	\$524,225	\$1,209,750	\$1,814,625
Two-Units	\$671,200	\$1,548,975	\$2,323,450
Three-Units	\$811,275	\$1,872,225	\$2,808,325
Four-Units	\$1,008,300	\$2,326,875	\$3,490,300

1. Mortgage limits for the special exception areas of Alaska, Hawaii, Guam, and the U.S. Virgin Islands are adjusted by FHA to account for higher costs of construction.

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