



U.S. Department of Housing and Urban Development
San Antonio Field Office, Region VI
Office of Community Planning and Development
One Alamo Center
106 South St. Mary's Street, Suite 405
San Antonio, Texas 78205

JUL 22 2008

Ms. Diana R. Serna
Director
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577


SUBJECT: 95% Area Median Purchase Price

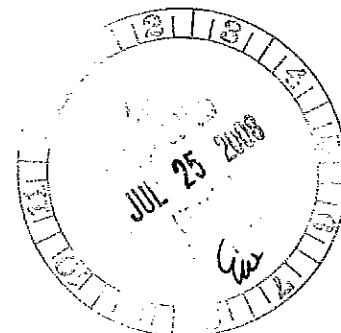
Dear Ms. Serna,

We are responding to your letter of July 10, 2008, in which you requested clarification regarding HOMEfires – Vol. 9, No. 3, issued March 2008. In your letter you requested clarification regarding the use of the actual 95% area median price or the higher pre-stimulus 203(b) limit for your area. You are correct that you may choose to use either the actual 95% of median price or the higher pre-stimulus 203(b) limit. This interim policy continues to remain in effect and may change once HUD issues the proposed rule noted in the HOMEfires.

Should you have any additional questions, please feel free to contact Ms. Marie Hettler, Sr. CPD Representative, at 210-475-6800, ext. 2294.

Sincerely,


for John T. Maldonado
Director
Office of Community Planning
and Development





URBAN COUNTY PROGRAM

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E-mail ucp@bizrgv.rr.com

July 10, 2008

U.S. Department of Housing and Urban Development (HUD)
Community Planning and Development (CPD) Division
Marie Hettler
CPD Representative
106 S. St. Mary's Suite 405
San Antonio, TX 78205

RE: 95% Area Median Purchase Price

Dear Mrs. Hettler,

The Hidalgo County Urban County Program (UCP) is requesting clarification regarding the Single Family Mortgage Limits (203(b)) / 95% median purchase price / after-rehabilitation value limits.

24 CFR 92.254(a)(2)(iii)

Final Rule section 92.254(a)(2)(iii) states that "if the PJ intends to use HOME funds for homebuyer assistance or for rehabilitation of owner-occupied single-family properties, the PJ may use the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C.1709(b)) (which may be obtained from the HUD Field Office)".

HOMEfires –Vol. 9 No. 3, March 2008

This HOMEfire talks about the temporary 203(b) limits (expires January 2009) authorized by the Economic Stimulus Act of 2008 (Public Law 110-185) as the maximum purchase price or after-rehabilitation value limits. The Interim Policy states "PJs whose actual 95% of area median sales price is below the pre-stimulus 203 (b) limits may choose to continue to use the higher limit during this interim period".

Clarification

Based upon the attached spreadsheet, provided in the HOMEfire (see attachment #1), Hidalgo County's pre-stimulus limit was \$200,160 and the actual 95% of median sales price is \$86,982. Therefore, is it right to conclude that the UCP can utilize the \$200,160 as it's 95% median purchase price/after-rehabilitation value limits resulting in limit of

\$190,152? In addition, does the interim period expire January 2009 as indicated in the HOMEfire?

We certainly appreciate any assistance that you can provide. If you have any questions, feel free to reach me at (956) 787-8127.

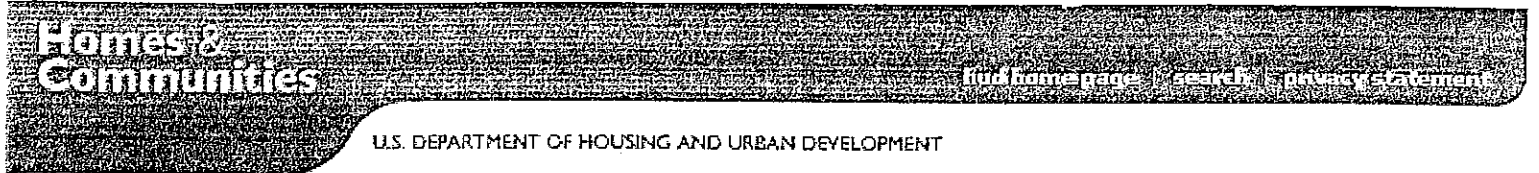
Sincerely,

A handwritten signature in cursive script, appearing to read "Diana R. Serna".

Diana R. Serna
Director

**HOME Investment Partnerships Program
Purchase Price / After-Rehabilitation Value Limits**

State Code	County Code	County Name	State	MSA Code	MSA Name	FHA Limits (pre-Economic Stimulus Act)				Median Price	95 Percent of Median Limits			
						1-unit	2-unit	3-unit	4-unit		95% median (1-unit)	2-unit	3-unit	4-unit
48	119	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	TX	19100	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	47,186	44,827	57,388	69,369	86,208
48	121	Denton County	TX	19100	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	179,761	170,773	218,626	264,268	323,421
48	123	Dewitt County	TX	99999	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	79,293	75,328	96,437	116,569	144,867
48	125	Dickens County	TX	99999	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	31,040	29,488	37,751	45,632	56,710
48	127	Dimit County	TX	99999	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	45,814	43,523	55,719	67,352	83,701
48	129	Donley County	TX	99999	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	62,486	59,362	75,996	91,861	114,161
48	131	Duval County	TX	99999	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	70,076	66,572	85,227	103,019	128,028
48	133	Eastland County	TX	99999	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	44,985	42,622	54,585	65,956	81,968
48	135	Ector County	TX	38220	Odessa, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	70,150	66,643	85,317	103,128	128,163
48	137	Edwards County	TX	99999	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	51,778	49,189	62,973	76,119	94,596
48	139	Ellis County	TX	19100	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	129,589	123,110	157,607	190,510	236,757
48	141	El Paso County	TX	21340	El Paso, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	131,900	125,305	160,417	193,907	240,979
48	143	Erali County	TX	44500	Stephenville, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	100,167	95,159	121,824	147,256	183,004
48	145	Falls County	TX	99999	Borham, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	54,760	52,022	66,599	80,503	100,046
48	147	Fannin County	TX	14300	Borham, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	84,309	80,094	102,537	123,943	154,031
48	149	Fayette County	TX	99999	Borham, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	101,116	96,060	122,978	148,651	184,737
48	151	Fisher County	TX	99999	Borham, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	42,425	40,304	51,597	62,369	77,510
48	153	Floyd County	TX	99999	Borham, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	61,673	58,589	75,007	90,666	112,676
48	155	Foard County	TX	99999	Borham, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	37,275	35,411	45,334	54,798	68,101
48	157	Fort Bend County	TX	26420	Houston-Baytown-Sugar Land, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	198,654	188,721	241,604	292,043	362,938
48	159	Franklin County	TX	99999	Houston-Baytown-Sugar Land, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	89,730	85,244	109,130	131,913	163,935
48	161	Fresno County	TX	99999	Houston-Baytown-Sugar Land, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	75,905	72,110	92,316	111,589	139,677
48	163	Frio County	TX	99999	Houston-Baytown-Sugar Land, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	55,031	52,279	66,929	80,902	100,541
48	165	Gaines County	TX	99999	Houston-Baytown-Sugar Land, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	65,061	61,808	79,128	95,647	118,865
48	167	Galveston County	TX	26420	Houston-Baytown-Sugar Land, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	178,152	169,244	216,669	261,903	325,481
48	169	Garza County	TX	99999	Fredericksburg, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	85,664	81,361	104,165	125,935	156,307
48	171	Gillespie County	TX	23240	Fredericksburg, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	167,458	178,085	227,987	275,583	342,463
48	173	Glasscock County	TX	99999	Fredericksburg, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	76,447	72,625	92,975	112,385	139,667
48	175	Goliad County	TX	47020	Victoria, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	78,718	74,782	95,737	115,724	143,817
48	177	Gonzales County	TX	99999	Victoria, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	65,739	62,452	79,952	96,643	120,104
48	179	Gray County	TX	37420	Pampa, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	51,100	48,545	62,148	75,123	93,359
48	181	Grayson County	TX	43300	Sherman-Denison, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	84,157	79,949	102,352	123,720	153,754
48	183	Gregg County	TX	30980	Longview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	110,358	104,840	134,218	162,238	201,622
48	185	Grimes County	TX	99999	Longview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	79,971	75,972	97,261	117,566	148,106
48	187	Guadalupe County	TX	41700	San Antonio, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	127,836	121,444	155,475	187,933	233,554
48	189	Hale County	TX	38380	Plainview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	87,155	82,797	105,996	128,121	159,231
48	191	Hall County	TX	99999	Plainview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	32,666	31,033	39,729	48,023	59,680
48	193	Hansford County	TX	99999	Plainview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	73,601	69,921	89,514	108,201	134,468
48	195	Harris County	TX	99999	Plainview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	67,637	64,255	82,260	99,434	123,572
48	197	Hardeman County	TX	99999	Plainview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	39,715	37,729	48,302	58,385	72,559
48	199	Hardin County	TX	99999	Plainview, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	141,707	134,622	172,345	208,325	258,898
48	201	Harris County	TX	28420	Beaumont-Port Arthur, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	144,825	137,584	176,137	212,908	264,593
48	203	Harrison County	TX	32220	Houston-Baytown-Sugar Land, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	103,285	98,121	125,616	151,840	188,700
48	205	Haskell County	TX	99999	Marshall, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	131,749	125,162	160,234	193,685	240,703
48	207	Haskell County	TX	99999	Marshall, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	41,477	39,403	50,445	60,976	75,778
48	209	Hays County	TX	12420	Austin-Round Rock, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	230,100	218,595	279,849	338,272	420,369
48	211	Hemphill County	TX	99999	Austin-Round Rock, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	94,881	90,137	115,395	139,485	173,346
48	213	Henderson County	TX	11960	Athens, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	91,158	86,600	110,867	134,012	166,544
48	215	Hidalgo County	TX	32580	McAllen-Edinburg-Ft. Worth, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	86,982	82,633	105,788	127,873	159,915
48	217	Hill County	TX	99999	McAllen-Edinburg-Ft. Worth, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	102,607	97,477	124,791	150,843	187,461
48	219	Hockley County	TX	30220	Levelland, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	68,721	65,265	83,579	101,027	125,552
48	221	Hood County	TX	24180	Granbury, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	198,030	188,129	240,845	291,125	361,798
48	223	Hopkins County	TX	44660	Sulphur Springs, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	95,830	91,039	116,549	140,880	175,080
48	225	Houston County	TX	99999	Sulphur Springs, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	78,751	74,813	95,777	115,772	143,877
48	227	Howard County	TX	13700	Big Spring, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	60,724	57,688	73,853	89,271	110,942
48	229	Hudspeth County	TX	99999	Big Spring, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	53,404	50,934	64,950	78,570	97,568
48	231	Hunt County	TX	19100	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	71,962	68,364	87,521	105,792	131,473
48	233	Hutchinson County	TX	14420	Borger, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	61,402	58,332	74,677	90,288	112,180
48	235	Inon County	TX	41660	San Angelo, TX Metropolitan Statistical Area	200,160	256,248	309,744	384,936	71,897	68,302	87,441	105,696	131,355



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

fha mortgage limits list

Message: MORTGAGE LIMITS SUCCESSFULLY COMPLETED
SUCCESS

Mortgage maximums as of Wednesday April 26, 2006
(1 records were selected, 1 records displayed.)

MSA Name	MSA Code	Division	County Name	County Code	State	One-Family	Two-Family	Three-Family	Four-Family
MCALLEN-EDINBURG-MISSION, TX (MSA)	32580		HIDALGO	215	TX	\$200,160	\$256,248	\$309,744	\$384,936

Selection criteria

Sorted by: County Code
 State: TX
 County: Hidalgo
 County Code: 215
 MSA Name:
 MSA Code:
 Last Revised:

The current basic standard mortgage limits for FHA insured loans are:

One-family	Two-family	Three-family	Four-family
\$200,160.00	\$256,248.00	\$309,744.00	\$384,936.00

High cost area limits are subject to a ceiling based on a percent of the Freddie Mac Loan limits
 The ceilings are currently:

One-family	Two-family	Three-family	Four-family
\$362,790.00	\$464,449.00	\$561,411.00	\$697,696.00

Section 214 of the National Housing Act provides that mortgage limits for Alaska, Guam, Hawaii, and the Virgin Islands may be adjusted up to 150 percent of the new ceilings. This results in new ceilings for these areas of:

One-family	Two-family	Three-family	Four-family
\$544,185.00	\$696,673.00	\$842,116.00	\$1,046,544.00

This is a listing of the FHA single family mortgage limits. This listing was downloaded from the Department's Computerized Home Underwriting Management System. Since mortgage limits are updated constantly, please contact the Homeownership Center if you believe this information is in error.

HUD plans to issue a proposed rule to address this issue. PJs and other interested members of the public will have the opportunity to comment on the policy that HUD proposes. HUD has issued instructions to its Field Offices regarding the appropriate limits for PJs to use in their HOME-funded homeownership projects until the issuance of a final rule. The guidance is explained below.

Interim Policy

In early February, 2008, FHA issued 203(b) mortgage limits based upon the methodology that existed before the passage of the Economic Stimulus Act (e.g., before the temporary increase in the 203(b) limits became law). PJs may continue to use these "pre-stimulus" limits as the after-rehabilitation value or purchase price limit for their HOME homeownership activities. HUD is attaching a spreadsheet containing these limits for each county in the U.S. For PJs' information, the spreadsheet also contains the actual 95% of median sales price for each area to inform them of how their actual 95% of median sales price compares to the pre-stimulus 203(b) limits. PJs whose actual 95% of area median sales price is below the pre-stimulus 203(b) limit may choose to continue to use the higher limit during this interim period. PJs whose actual 95% of area median sales price is higher than the pre-stimulus FHA "ceiling" may choose to use the higher 95% of area median sales price during this interim period. PJs that have previously obtained HUD Field Office approval of a PJ-determined 95% value limit using the methodology described in the HOME regulations at 24 CFR 92.254 (a)(2)(iii) may continue to use those locally-determined limits. **Again, PJs are not permitted to adopt the new FHA limits that have been temporarily increased by the Economic Stimulus Act.**

HOME 95% area median purchase price limits

Content updated April 9, 2008

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Steve De La Garza

From: Saved by Windows Internet Explorer 7
 Sent: Tuesday, May 13, 2008 11:41 AM
 Subject: HOMEfires - Vol. 9 No.3 - Affordable Housing - CPD - March 2008 - HUD

Homes & Communities
U.S. Department of Housing and Urban Development

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HOMEfires - Vol. 9 No. 3, March 2008



Q: Can Participating Jurisdictions (PJs) use the temporary Section 203(b) limits authorized by the Economic Stimulus Act of 2008 (Public Law 110-185) as the maximum purchase price or after-rehabilitation value limits for their HOME-assisted homeownership housing? If not, what limits should PJs use?

A. No. PJs cannot use the higher Section 203(b) limits approved for use in the Federal Housing Administration (FHA) Single Family Mortgage insurance program this year, because doing so would violate the HOME statute.

Background

Section 215(b) of the Cranston-Gonzalez National Affordable Housing Act requires that the value of homeownership units assisted with HOME funds not exceed 95 percent of the area median purchase price or after-rehabilitation for single family housing, as determined by the HUD Secretary. The HOME final rule at 24 CFR 92.254(a)(2)(iii) permits PJs to use the FHA Single Family Mortgage Limits under 203(b) of the National Housing Act (12 U.S.C. 1709(b)) as the 95% of median value limit for HOME-assisted homeownership housing. (This provision of the HOME final rule also permits a PJ to determine its own 95% of area median sales price using a prescribed methodology.)

Section 202 of the Economic Stimulus Act of 2008 (Public Law 110-185), enacted on February 13, 2008, authorizes HUD to temporarily increase the Section 203(b) limits up to 125 percent of the median single family house price for the area. Because the 203(b) limits recently issued by FHA for its single family mortgage program exceed 95 percent of median sales price, they cannot be used for the HOME Program. These temporary mortgage limits will expire in January 2009, if Congress does permanently increase them as part of planned FHA reform.

The annual 203(b) limits are based on 95% of area median sales prices, except that there are national floor and ceiling loan amounts for low- and high-cost areas which are percentages of conforming loan limits. Over time, statutory changes have increased the 203(b) floor, rendering the 203(b) limits a less than reliable surrogate for PJs' 95% of area median sales prices. The 2007 FHA single family loan limit floor was \$200,050 – substantially more than 200% of the median sales price in many areas. The 2007 national FHA loan limit ceiling of \$362,790 was far below the actual 95% of median sales price in many high cost areas. As a consequence of these changes, HUD must reconsider the appropriateness of the 203(b) limit's use as a purchase price or after-rehabilitation value limit for the HOME program.

court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

- c. *Termination of tenancy.* An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.
- d. *Tenant selection.* An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that:
 1. Are consistent with the purpose of providing housing for very low-income and low-income families;
 2. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
 3. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
 4. Give prompt written notification to any rejected applicant of the grounds for any rejection.

§ 92.254 Qualification as Affordable Housing: Homeownership

- a. *Acquisition with or without rehabilitation.* Housing that is for acquisition by a family must meet the affordability requirements of this paragraph (a).
 1. The housing must be single-family housing.
 2. The housing must be modest housing as follows:
 - i. In the case of acquisition of newly constructed housing or standard housing, the housing has a purchase price for the type of single family housing that does not exceed 95 percent of the median purchase price for the area, as described in paragraph (a)(2)(iii) of this section.
 - ii. In the case of acquisition with rehabilitation, the housing has an estimated value after rehabilitation that does not exceed 95 percent of the median purchase price for the area, described in paragraph (a)(2)(iii) of this section.
 - iii. If a participating jurisdiction intends to use HOME funds for homebuyer assistance or for rehabilitation of owner-occupied single-family properties, the participating jurisdiction may use the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) (which may be obtained from the HUD Field Office) or it may determine 95 percent of the median area purchase price for single family housing in the jurisdiction, as