

WHOLESALE BULLETIN

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20W-135

Attention: AEs, Business Development Managers & Mortgage Brokers November 20, 2020

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: 2021 Fannie Mae and Freddie Mac Loan Limits

Good News!!

Mountain West Financial is pleased to announce Fannie Mae and Freddie Mac Loan Limits will be increasing, effective January 1, 2021.

Application of the Limits Based on Original Loan Amount

All loan limits apply to the original loan amount of the mortgage loan. Original loan amount of each mortgage loan cannot exceed the applicable maximum loan limit for the specific area in which the property is located.

Fannie Mae Desktop Underwriter (DU)

The 2021 loan limits will be applied to DU Version 10.3 loan casefiles submitted (or resubmitted) on or after the weekend of December 12, 2020. Also note that loan casefiles underwritten through DU prior to December 12, 2020 that receive an "Ineligible" recommendation due only to exceeding the 2020 loan limit may be delivered after January 1, 2021. The loan casefile does not have to be resubmitted to DU if the loan amount complies with the applicable 2021 loan limit.

Freddie Mac Loan Product Advisor (LPA)

LPA will be updated with the 2021 loan limits by December 13, 2020, so you may begin originating mortgages with these new loan limits. However, mortgages with original loan amounts higher than the 2020 loan limits must have settlement dates on or after January 1, 2021.

First mortgage loan limits

The following chart contains the general loan limits for 2021:

Units	General Loan Limits	
	Contiguous States, District of Columbia, and Puerto Rico	Alaska, Guam, Hawaii, and the U.S. Virgin Islands
One	\$548,250	\$822,375
Two	\$702,000	\$1,053,000
Three	\$848,500	\$1,272,750
Four	\$1,054,500	\$1,581,750

The high-cost area loan limits are established for each county (or equivalent) and are published on [Fannie Mae's website](#) and on [FHFA's website](#). The maximum limits for 2021 are:

Units	High-Cost Area Loan Limits*	
	Contiguous States, District of Columbia, and Puerto Rico	Alaska, Guam, Hawaii, and the U.S. Virgin Islands
One	\$822,375	Not Applicable
Two	\$1,053,000	
Three	\$1,272,750	
Four	\$1,581,750	

** A number of states (including Alaska and Hawaii), Guam, Puerto Rico, and the U.S. Virgin Islands do not have any high-cost areas in 2021.*

High cost area loan limits are derived from median home prices estimated by the Federal Housing Administration (FHA) of the Department of Housing and Urban Development (HUD).

Loans subject to the high cost area limits are referred to as high balance loans and must comply with the high balance loan requirements.

If you have any questions, contact your local Account Executive or Production Coordinator. You may also contact Brian Daily, SVP Wholesale: Brian.Daily@mwfinc.com 909-255-8332.

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