



**Office of Federal Housing Enterprise Oversight
(OFHEO)**

NEWS RELEASE

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FOR IMMEDIATE RELEASE

November 27, 2007

2008 CONFORMING LOAN LIMIT \$417,000

Washington, DC - Office of Federal Housing Enterprise Oversight Director James B. Lockhart today announced the maximum 2008 conforming loan limit for single-family mortgages purchased by Fannie Mae and Freddie Mac (the Enterprises) will remain at the 2007 level of \$417,000 for one-unit properties for most of the U.S. Higher limits apply to Alaska, Hawaii, Guam and the U.S. Virgin Islands as well as to properties with more than one unit.

The conforming loan limit determines the maximum size of a mortgage that an Enterprise can buy or guarantee. By law the maximum conforming loan limit is based on the October-to-October change in the average house price in the Monthly Interest Rate Survey (MIRS) of the Federal Housing Finance Board (FHFB). The FHFB reported the decline in the average price was \$10,685 or 3.49 percent, from \$306,258 in October 2006 to \$295,573 in October 2007. The combined two-year decline is now 3.65 percent.

"While the house price survey data used in determining the conforming loan limit show a decline over the past year, as previously announced and consistent with the proposed new conforming loan limit guidance, the level will remain at \$417,000 for the third straight year," said Lockhart.

On October 22, 2007 OFHEO published in the Federal Register a revised Examination Guidance proposal for procedures relating to the calculation of the conforming loan limit and implementation of increases or decreases in the limit. OFHEO published the initial proposal for comment on June 20, 2007. The second comment period has now closed and OFHEO is reviewing comments received. At the time of the October publication, OFHEO announced that no decreases in the loan limit would be required for 2008, regardless of the price data in the MIRS report.

OFHEO assumed responsibility for establishing the conforming loan limit with a [February 2004 guidance](#).

The conforming loan limit is based on the FHFB monthly survey and not OFHEO's quarterly House Price Index (HPI), which will be released for the third quarter on November 29.

[OFHEO letters to Enterprises](#)

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OFHEO's mission is to promote housing and a strong national housing finance system by ensuring the safety and soundness of Fannie Mae and Freddie Mac.