



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

NEWS RELEASE

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For Immediate Release

November 28, 2006

**2007 Conforming Loan Limit to Remain at
\$417,000**

Washington, DC – Office of Federal Housing Enterprise Oversight Director James B. Lockhart today announced the maximum 2007 conforming loan limit for single-family mortgages purchased by Fannie Mae and Freddie Mac (the Enterprises) will remain at the 2006 level of \$417,000 for one-unit properties for most of the U.S. ¹

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 \$501, or 0.16 percent, from \$306,759 in October 2005 to \$306,258 in October 2006. This is the first decline in the MIRS since 1992-93.

OFHEO announced [November 15](#) it would keep the limit at 2006 levels if there was a decrease in October-to-October house prices and would defer that decline for one year.

"This amount is in keeping with OFHEO's recent announcement of an orderly and transparent process for any downward adjustment," said Lockhart. "We made this decision so as not to disrupt the end-of-the-year pipeline of mortgages or the market for mortgage-backed securities," said Lockhart. OFHEO also stated previously that additional guidance for the 2008 limits would be issued early next year.

Conforming Loan Limit		Percentage Increase
2007	\$417,000	0
2006	\$417,000	15.9%
2005	\$359,650	7.8%

Prior to this year's decrease, the average increase in the FHFB survey over the previous five years was **8.8 percent**.

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 November 30.

¹ Higher limits apply to Alaska, Hawaii, Guam and the U.S. Virgin Islands as well as to properties with more than one unit. See link to letters to Enterprises below.

[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.