



Announcement 08-29

November 7, 2008

Amends these Guides: Selling

Confirmation of Conventional Loan Limits for 2009

Introduction

The purpose of this Announcement is to publish Fannie Mae's loan limits for 2009 for all conventional mortgage loans.

As stated in Announcement 08-27, *Permanent High-Cost Area Loan Limits*, Fannie Mae now has general loan limits, high-cost area loan limits, jumbo-conforming loan limits, and subordinate mortgage loan limits. There will be no changes to the 2008 general loan limits for 2009, which are set forth below.

The maximum loan limits for properties located in high-cost areas were published in Announcement 08-27, and are restated below. The specific loan limits for each high-cost area have been released by the Federal Housing Finance Agency and a link is provided on eFannieMae.com. These limits will apply to loans delivered as high-balance loans per Announcement 08-27.

Note that the 2008 high-cost area loan limits also remain in effect for mortgage loans originated between July 1, 2007 and December 31, 2008. These limits will continue to apply to loans delivered as jumbo-conforming mortgage loans. In some cases, the loan limits for jumbo-conforming mortgage loans are higher than the limits that apply to high-balance loans. The specific loan limits for jumbo-conforming mortgage loans are also posted on eFannieMae.com.

Because the eligibility, pooling, and delivery requirements differ for jumbo-conforming mortgage loans and high-balance loans, lenders must distinguish between them on delivery using relevant special feature codes per Announcement 08-27.

First Mortgage Loan Limits

For first mortgages, the maximum loan limits for 2009 are:

Units	Contiguous States, District of Columbia, and Puerto Rico		Alaska, Guam, Hawaii, and the U.S. Virgin Islands	
	General	High-Cost*	General	High-Cost*
One	\$417,000	\$625,500	\$625,500	\$938,250
Two	\$533,850	\$800,775	\$800,775	\$1,201,150
Three	\$645,300	\$967,950	\$967,950	\$1,451,925
Four	\$801,950	\$1,202,925	\$1,202,925	\$1,804,375

* The loan limit may be lower for a specific high-cost area.

Subordinate Mortgage Loan Limits

For subordinate mortgage loans, the loan limit for 2009 is \$208,500 (or \$312,750 in Alaska, Guam, Hawaii, and the Virgin Islands). Furthermore, the sum of the original loan amounts of the first and subordinate mortgage loans may not exceed the applicable loan limit for first mortgage loans based on the location and the number of units of the subject property. These loan limits apply whether or not Fannie Mae owns or has an interest in the first mortgage loan.

Origination Date and Original Loan Amount

The general loan limits, the high-cost loan limits, and the subordinate mortgage loan limits apply to all conventional mortgage loans (except for jumbo-conforming mortgage loans), regardless of loan origination date. The general loan limits, high-cost area loan limits, jumbo-conforming mortgage loan limits, and subordinate mortgage loan limits apply to the original loan amount of a mortgage loan, not to its balance at the time of purchase by Fannie Mae.

Lenders are reminded that a modified mortgage loan that had an original loan amount that exceeds the current loan limits is not eligible for purchase by Fannie Mae, even though the balance may have been paid down at the time of the modification to or below the current applicable loan limit.

Lenders who have questions about Announcement 08-29 should contact their Customer Account Team.

Michael A. Quinn
Senior Vice President
Single-Family Risk Officer