

Dear NAHMA Members,

This week, HUD released designations for Annual Base City High Cost Percentages and High Cost Areas for maximum mortgage amounts for the FHA Multifamily Housing Programs. In addition, the Multifamily Accelerated Processing (MAP) Guide adjusted the base amount per unit to define substantial rehabilitation for FHA insured loan programs.

Annual Revisions to Base City High Cost Percentage, High Cost Area

The Office of Multifamily Production has developed a list of High Cost Areas for 2017. The threshold for a High Cost Area has been set for all areas with a “calculated” High Cost Percentage (HCP) of 287.23 or greater. The following list is effective January 1, 2017 for FHA multifamily mortgage insurance Firm Commitment applications, for amendments which have not been initially endorsed, and for new geographical areas established within the list:

FHA Multifamily Statutory Mortgage Programs Base Percentages for High Cost Areas – Effective January 2017					
Atlanta GA		Ft. Worth TX		San Francisco CA	
Southeast Regional Office	259%	Southwest Regional Office	223%	Western Regional Office	270%
Birmingham AL	221%	Dallas TX	223%	Los Angeles CA	270%
Little Rock AR	216%	Houston TX	219%	Sacramento CA	270%
Jacksonville FL*	243%	Lubbock TX	227%	San Diego CA	270%
Key West FL	270%	San Antonio TX	198%	Santa Ana CA	270%
Miami FL	261%	Little Rock AR	216%	Anchorage AK**	405%
Tampa FL	270%	Des Moines IA	250%	Phoenix AZ	258%
Louisville KY	250%	Topeka KS	235%	Denver CO*	270%
Jackson MS	225%	New Orleans, LA	225%	Boise ID	270%
Greensboro NC	244%	Shreveport LA	223%	Honolulu HI**	405%
San Juan PR	270%	Kansas City MO*	270%	Helena MT	257%
Columbia SC	248%	St. Louis MO	270%	Fargo ND	254%
Knoxville TN	228%	Omaha NB	235%	Las Vegas NV	270%
Memphis TN	225%	Albuquerque NM	252%	Portland OR	270%
Nashville TN	234%	Oklahoma City OK	240%	Sioux Falls	230%
US Virgin Islands**	405%	Tulsa OK	237%	Salt Lake City UT	270%
				Seattle WA	270%
				Spokane WA	270%
				Casper WY	269%

Chicago IL – Midwest Regional Office	270%	New York NY Northeast Regional Office	270%	
Springfield IL	270%	Albany NY	270%	
Indianapolis IN	258%	Buffalo NY	270%	
Detroit MI*	270%	Hartford CT	270%	
Grand Rapids MI	257%	Washington DC	270%	FHAMultifamily Production Satellite Office - *
Minneapolis MN*	270%	Wilmington DE	270%	
Cincinnati OH	248%	Boston MA*	270%	
Cleveland OH	270%	Bangor ME	270%	
Columbus OH	258%	Baltimore MD*	270%	Special Limit- **
Milwaukee WI	270%	Manchester NH	270%	
		Camden NJ	270%	
		Newark NJ	270%	Note: Offices with a “calculated” HCP of 287.23 (before the statutory cap of 270) or higher are designated “High Cost Areas” and are shaded.
		Philadelphia PA	270%	
		Pittsburgh PA	270%	
		Providence RI	270%	
		Richmond VA	270%	
		Burlington VT	270%	
		Charleston WV	270%	

The area multiplier is to be used for all locations in the state if only one city has been named in that state; if multiple cities are named in any state, the multiplier for the city closest to the location named in the Mortgagee Letter is to be used. Guam, the U.S. Virgin Islands, and the states of Alaska and Hawaii are Special Limit areas for which the HCP is 405%.

Per Unit Limit for Substantial Rehabilitation for Calendar Year 2017

The 2016 MAP Guide established a base amount of \$15,000 per unit to define substantial rehabilitation for FHA insured loan programs. The MAP Guide requires that this base amount be adjusted periodically based on inflation cost index changes. Accordingly, the 2017 base amount per dwelling unit to determine substantial rehabilitation for FHA insured loan programs is \$15,315.

To view the attached notice online, please click [here](#).

Thanks,

Juliana

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NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.
