

Dear NAHMA Members,

Today, 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 2018. The threshold for a High Cost Area has been set for all areas with a “calculated” High Cost Percentage (HCP) of 292.54 or greater. The following list is effective January 1, 2018 for FHA multifamily mortgage insurance firm commitment applications and for amendments which have not been initially endorsed:

FHA Multifamily Statutory Mortgage Programs			
Base Percentages for High Cost Areas – Effective January 2018			
Atlanta GA – Southeast Regional Office	260%	Ft. Worth TX – Southwest Regional Office	225%
Birmingham AL	236%	Dallas TX	229%
Jacksonville FL*	262%	Houston TX	226%
Key West FL	270%	Lubbock TX	217%
Miami FL	264%	San Antonio TX	198%
Tampa FL	270%	Little Rock AR	215%
Louisville KY	256%	Des Moines IA	257%
Jackson MS	229%	Topeka KS	242%
Greensboro NC	245%	New Orleans, LA	229%
San Juan PR	270%	Shreveport LA	221%
Columbia SC	248%	Kansas City MO*	270%
Knoxville TN	228%	St. Louis MO	270%
Memphis TN	226%	Omaha NE	236%
Nashville TN	238%	Albuquerque NM	253%
US Virgin Islands**	405%	Oklahoma City OK	239%
		Tulsa OK	235%
		San Francisco CA – Western Regional Office	270%
		Los Angeles CA	270%
		Sacramento CA	270%
		San Diego CA	270%
		Santa Ana CA	270%
		Anchorage AK**	405%
		Phoenix AZ	263%
		Denver CO*	270%
		Boise ID	270%
		Honolulu HI**	405%
		Helena MT	262%
		Fargo ND	262%
		Las Vegas NV	270%
		Portland OR	270%
		Sioux Falls SD	239%
		Salt Lake City UT	270%
		Seattle WA	270%
		Spokane WA	270%
		Casper WY	269%
		Guam **	405%
Chicago IL – Midwest Regional Office	270%	New York NY – Northeast Regional Office	270%
Springfield IL	270%	Albany NY	270%
Indianapolis IN	269%	Buffalo NY	270%
Detroit MI*	270%	Hartford CT	270%
Grand Rapids MI	260%	Washington DC	270%
Minneapolis MN*	270%	Wilmington DE	270%
Cincinnati OH	252%	Boston MA*	270%
Cleveland OH	270%	Bangor ME	270%
Columbus OH	269%	Baltimore MD*	270%
Milwaukee WI	270%	Manchester NH	270%
		Camden NJ	270%
		Newark NJ	270%
		Philadelphia PA	270%
		Pittsburg PA	270%
		Providence RI	270%
		Richmond VA	270%
		Burlington VT	270%
		Charleston WV	270%
		Satellite Office - *	
		Special Limit- **	
		Note: Offices with a “calculated” HCP of 292.54 (before the statutory cap of 270) or higher are designated “High Cost Areas” and are shaded.	

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 2018

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 2018 base amount per dwelling unit to determine substantial rehabilitation for FHA insured loan programs is \$15,636.

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.