



What are FHA loan limits in your county?

Find out the 2020 FHA loan limits in your county

The amount of money you can borrow to buy a house with a loan insured by the Federal Housing Administration (FHA) depends on many factors, including where you live. Typical 2020 FHA loan limits range from nearly \$332,000 for a one-family home in the most affordable counties to \$765,600 for a one-family home in the most expensive.

FHA loan limits are higher for two-family, three family, and four-family homes. People who live in certain areas such as Alaska, Guam, Hawaii, and the Virgin Islands may be able to borrow more than the typical amounts to buy a house. These limits are reviewed and may be updated every year.

You can look up the 2020 FHA loan limits for your county by [visiting the U.S Department of House and Urban Development's website](#).

Why FHA loans have limits

The FHA is required by Federal law to set loan limits just above the median home price in a county).

The purpose of the FHA is to make the dream of homeownership affordable for millions of Americans and their families. The FHA does not make loans itself. Instead, it insures loans issued by approved mortgage lenders to make it easier for people to buy a home.

With an FHA loan, you may be able to buy a house with a down payment as low as 3.5% of the purchase price. People with less than perfect credit scores may also qualify. Freedom Mortgage is a leader in FHA loans and can help you compare its costs and benefits to other home loans that may be available to you.

How new FHA loan limits are calculated

The FHA limits loans to 115% of the median home price in a county. A median price is not the same thing as an average price, although the two numbers may be similar. The FHA uses the median price to estimate the typical price of a typical house.



Home prices vary from county to county, so the FHA takes this into account when it sets its county loan limits. For example, the FHA loan limit for New York County (which encompasses New York City) is \$765,600 in 2020. The loan limit for Niagara County (which encompasses Buffalo) is \$331,760. The current median home price in New York City is higher than that in Buffalo, so the limit is higher as a result.

These median home prices are based on the Home Price Index as calculated by the Federal Housing Finance Agency and includes figures for the 50 states and the District of Columbia.

If you are thinking about buying a house, knowing your FHA county loan limit and how much money you might be able to borrow is important. It is also important to decide how much money you can afford to spend on a house. You can use our [Mortgage Affordability Calculator](#) to get an estimate of a house price you may be able to afford.

Your Freedom Mortgage Loan Advisor can help you explore options to make the right decision about an FHA loan. [Get started today](#) or call us at 877-220-5533.



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