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## Fannie And Freddie Loan Limit Temporarily Increased

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As part of the economic stimulus legislation that was passed by Congress on February 7, 2008 and is expected to be signed into law by President Bush, there will be a temporary increase in the maximum size of loans that Fannie Mae and Freddie Mac may purchase. The current limit is \$417,000 in all of the continental United States. The new limit may be as high as \$729,750 in some locations.

The exact amount will be established based on the median home prices in each area of the country. The Department of Housing and Urban Development is required, within 30 days of enactment, to publish the median home prices for each area. The new limit will be 125% of that amount, up to a maximum of \$729,750.

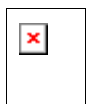
This limit will become the statutory maximum. Fannie Mae and Freddie Mac are not required to increase their loan purchasing policies. But it is widely expected that both will do so.

The new limit applies to loans originated from July 1, 2007 to December 31, 2008. After that, unless new legislation is enacted, the limit will return to \$417,000.

**[back to top](#)**

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