

111TH CONGRESS  
1ST SESSION

# H. R. 2483

To permanently increase the conforming loan limits for the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association and the FHA maximum mortgage amount limitations.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2009

Mr. SHERMAN (for himself, Mr. GARY G. MILLER of California, Mr. FRANK of Massachusetts, Mr. GRAYSON, Mrs. HALVORSON, Ms. HARMAN, Ms. SPEIER, Mrs. CAPPS, Mr. CULBERSON, Mr. ROHRABACHER, Mr. CUMMINGS, Mr. SCHIFF, Mr. MCNERNEY, Mr. ABERCROMBIE, Mr. GEORGE MILLER of California, Mr. CARDOZA, Mrs. TAUSCHER, Mr. FILLNER, Mr. BILBRAY, Mr. HONDA, Mr. BERMAN, Mrs. BONO MACK, Mrs. MALONEY, Mr. CAMPBELL, Mr. ACKERMAN, Mr. GALLEGLY, Mr. DREIER, Mr. FARR, Mr. BISHOP of New York, Ms. WATERS, Ms. ESHOO, and Mr. HALL of New York) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To permanently increase the conforming loan limits for the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association and the FHA maximum mortgage amount limitations.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Increasing Homeown-  
3 ership Opportunities Act”.

4 **SEC. 2. PERMANENT CONFORMING LOAN LIMIT INCREASE**  
5 **FOR FREDDIE MAC AND FANNIE MAE.**

6       (a) FREDDIE MAC.—

7           (1) CONFORMING LOAN LIMIT INCREASE.—

8       Paragraph (2) of section 305(a) of the Federal  
9       Home Loan Mortgage Corporation Act (12 U.S.C.  
10       1454(a)(2)) is amended—

11           (A) by inserting “(A)” after “(2)”;

12           (B) in the first sentence, by redesignating  
13       clauses (A) through (C) as clauses (i) through  
14       (iii), respectively;

15           (C) in the second sentence, by striking  
16       “clause (A)” and inserting “clause (i)”;

17           (D) in the sixth sentence by striking “Jan-  
18       uary 1 of each year beginning after the effective  
19       date of the Federal Housing Finance Regu-  
20       latory Reform Act of 2008” and inserting  
21       “January 1, 2010, and January 1 of each year  
22       thereafter”; and

23           (E) in the last sentence—

24           (i) by striking “115 percent” each  
25       place it appears and inserting “125 per-  
26       cent”; and

1 (ii) by striking “150 percent” and in-  
2 serting “175 percent”.

3 (2) DISCRETIONARY AUTHORITY.—Paragraph  
4 (2) of section 305(a) of the Federal Home Loan  
5 Mortgage Corporation Act (12 U.S.C. 1454(a)(2)),  
6 as amended by paragraph (1), is further amended by  
7 adding at the end the following new subparagraphs:  
8 “(B) Notwithstanding subparagraph (A) and  
9 subject to subparagraph (C), the Director of the  
10 Federal Housing Finance Agency may—

11 “(i) increase the limitation on the max-  
12 imum original principal obligation of a mort-  
13 gage that may be purchased by the Corporation  
14 that is otherwise in effect pursuant to the sixth  
15 sentence of subparagraph (A) with respect to  
16 any particular size or sizes of residences located  
17 in any particular area or areas by not more  
18 than \$100,000; or

19 “(ii) increase, for any geographic area that  
20 is smaller than an area for which a dollar  
21 amount limitation on the principal obligation of  
22 a mortgage is established pursuant to this para-  
23 graph, the limitation otherwise in effect for  
24 such size or sizes of residences for such sub-  
25 area or sub-areas, but in no case to an amount

1           that exceeds the maximum nationwide amount  
2           otherwise permitted under this subparagraph.

3           “(C) The Director of the Federal Housing Fi-  
4           nance Agency may increase the limitation on the  
5           maximum original principal obligation of a mortgage  
6           for any area or sub-area pursuant to subparagraph  
7           (B) only if the Director makes a determination  
8           that—

9                   “(i) such increase is warranted by higher  
10           median home prices in such area or sub-area;  
11           and

12                   “(ii) such increase will have a significant  
13           impact on the cost or availability of mortgages  
14           having principal obligation amounts in the  
15           range of such increased limit.

16           “(D) Notwithstanding the calculation of the  
17           limitation on the maximum original principal obliga-  
18           tion of a mortgage that may be purchased by the  
19           Corporation for an area pursuant to the last sen-  
20           tence of subparagraph (A), if any recalculation of  
21           the local median home price for any area would oth-  
22           erwise result in a decrease in the maximum original  
23           principal limitation for any size residence in any  
24           such area, the Director of the Federal Housing Fi-  
25           nance Agency may prevent or limit a decrease in

1 such limitation from taking place for any such area.  
2 In taking such action, the Director shall consider  
3 such factors as market dislocations caused by a de-  
4 crease in such limitation, the extent of the median  
5 home price decline, and the causes for such reduc-  
6 tion in median home price.”.

7 (b) FANNIE MAE.—

8 (1) CONFORMING LOAN LIMIT INCREASE.—  
9 Paragraph (2) of section 302(b) of the Federal Na-  
10 tional Mortgage Association Charter Act (12 U.S.C.  
11 1717(b)(2)) is amended—

12 (A) by inserting “(A)” after “(2)”;

13 (B) in the second sentence, by redesign-  
14 ating clauses (A) through (C) as clauses (i)  
15 through (iii), respectively;

16 (C) in the third sentence, by striking  
17 “clause (A)” and inserting “clause (i)”;

18 (D) in the seventh sentence by striking  
19 “January 1 of each year beginning after the ef-  
20 fective date of the Federal Housing Finance  
21 Regulatory Reform Act of 2008” and inserting  
22 “January 1, 2010, and January 1 of each year  
23 thereafter”; and

24 (E) in the last sentence—

1 (i) by striking “115 percent” each  
2 place it appears and inserting “125 per-  
3 cent”; and

4 (ii) by striking “150 percent” and in-  
5 serting “175 percent”.

6 (2) DISCRETIONARY AUTHORITY.—Paragraph  
7 (2) of section 302(b) of the Federal National Mort-  
8 gage Association Charter Act (12 U.S.C.  
9 1717(b)(2)), as amended by paragraph (1), is fur-  
10 ther amended by adding at the end the following  
11 new subparagraphs:

12 “(B) Notwithstanding subparagraph (A) and  
13 subject to subparagraph (C), the Director of the  
14 Federal Housing Finance Agency may—

15 “(i) increase the limitation on the max-  
16 imum original principal obligation of a mort-  
17 gage that may be purchased by the corporation  
18 that is otherwise in effect pursuant to the sev-  
19 enth sentence of subparagraph (A) with respect  
20 to any particular size or sizes of residences lo-  
21 cated in any particular area or areas by not  
22 more than \$100,000; or

23 “(ii) increase, for any geographic area that  
24 is smaller than an area for which a dollar  
25 amount limitation on the principal obligation of

1 a mortgage is established pursuant to this para-  
2 graph, the limitation otherwise in effect for  
3 such size or sizes of residences for such sub-  
4 area or sub-areas, but in no case to an amount  
5 that exceeds the maximum nationwide amount  
6 otherwise permitted under this subparagraph.

7 “(C) The Director of the Federal Housing Fi-  
8 nance Agency may increase the limitation on the  
9 maximum original principal obligation of a mortgage  
10 for any area or sub-area pursuant to subparagraph  
11 (B) only if the Director makes a determination  
12 that—

13 “(i) such increase is warranted by higher  
14 median home prices in such area or sub-area;  
15 and

16 “(ii) such increase will have a significant  
17 impact on the cost or availability of mortgages  
18 having principal obligation amounts in the  
19 range of such increased limit.

20 “(D) Notwithstanding the calculation of the  
21 limitation on the maximum original principal obliga-  
22 tion of a mortgage that may be purchased by the  
23 corporation for an area pursuant to the last sentence  
24 of subparagraph (A), if any recalculation of the local  
25 median home price for any area would otherwise re-

1       sult in a decrease in the maximum original principal  
 2       limitation for any size residence in any such area,  
 3       the Director of the Federal Housing Finance Agency  
 4       may prevent or limit a decrease in such limitation  
 5       from taking place for any such area. In taking  
 6       such action, the Director shall consider such factors  
 7       as market dislocations caused by a decrease in such  
 8       limitation, the extent of the median home price de-  
 9       cline, and the causes for such reduction in median  
 10      home price.”.

11 **SEC. 3. PERMANENT LOAN LIMIT INCREASE FOR FHA.**

12       (a) LOAN LIMIT INCREASE.—Subparagraph (A) of  
 13      section 203(b)(2) of the National Housing Act (12 U.S.C.  
 14      1709(b)(2)(A)) is amended—

15               (1) in clause (i) by striking “115 percent” and  
 16               inserting “125 percent”; and

17               (2) in clause (ii) by striking “150 percent” and  
 18               inserting “175 percent”.

19       (b) DISCRETIONARY AUTHORITY.—Subparagraph  
 20      (A) of section 203(b)(2) of the National Housing Act (12  
 21      U.S.C. 1709(b)(2)(A)) is amended by inserting after “;  
 22      and” at the end the following: “except that, if the Sec-  
 23      retary determines an increase is warranted by higher me-  
 24      dian home prices in an area or sub-area and such an in-  
 25      crease will have a significant impact on the cost or avail-



1 ability of mortgages having principal obligation amounts  
2 in the range of an increased limit, the Secretary may in-  
3 crease the maximum dollar amount limitation that is oth-  
4 erwise in effect pursuant to the preceding provisions of  
5 this subparagraph with respect to any particular size or  
6 sizes of residences, or with respect to residences located  
7 in any particular area or areas, by not more than  
8 \$100,000, or increase, for any geographic area that is  
9 smaller than an area for which a dollar amount limitation  
10 is determined pursuant to the preceding provisions of this  
11 subparagraph, the limitation otherwise in effect for such  
12 size or sizes of residences for such sub-area or sub-areas,  
13 but in no case to an amount that exceeds the maximum  
14 nationwide amount otherwise permitted under this sub-  
15 paragraph; and except that notwithstanding the calcula-  
16 tion of the maximum dollar amount limitation for any area  
17 pursuant to clause (i) of this subparagraph, if any recal-  
18 culation of the local median home price for any area would  
19 otherwise result in a decrease in the maximum dollar  
20 amount limitation for any size residence in any such area,  
21 the Secretary, considering such factors as market disloca-  
22 tions caused by a decrease in such dollar amount limita-  
23 tion, the extent of the median home price decline, and the  
24 causes for such reduction in median home price, may pre-

1 vent or limit a decrease in such dollar amount limitation  
2 from taking place for any such area; and”.

3 **SEC. 4. EXISTING LOAN LIMITS.**

4       This Act may not be construed to affect the loan lim-  
5 its for the Federal Home Loan Mortgage Corporation or  
6 the Federal National Mortgage Association in effect under  
7 section 1203 of the American Recovery and Reinvestment  
8 Act of 2009 (Public Law 111–5) or the FHA mortgage  
9 amount limitations in effect under section 1202 of such  
10 Act.

11 **SEC. 5. EFFECTIVE DATE.**

12       The amendments made by this Act shall take effect  
13 January 1, 2010.

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