HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Latest Home Price Numbers, Including a New Conforming Loan Limit

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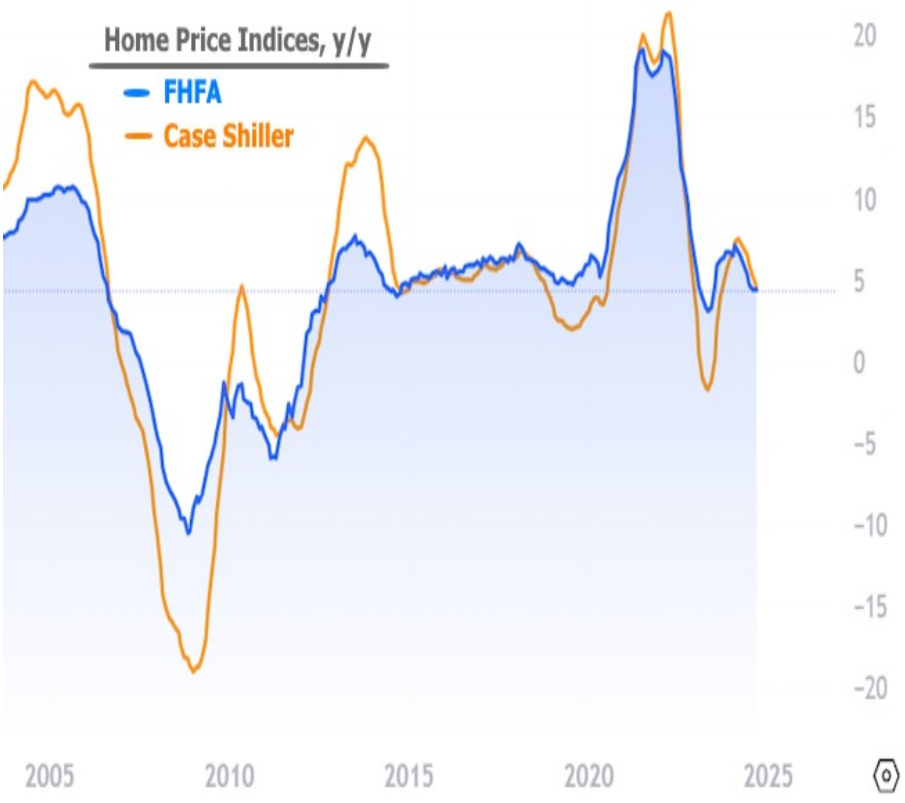
There are two key, big picture home price indices in the U.S. They come out every month, but with a 2 month lag. That means we're getting September's prices today.

The two indices are:

- S&P Case Shiller, which focuses on a smaller data set that tends to detect trends sooner, but also in a more volatile way
- FHFA, a U.S. government agency that ultimately captures about as many transactions as could possibly be captured, thus producing the broadest and most authoritative update on home prices. For this reason, it serves as the foundation for updating the annual conforming loan limit.

What happened with September's data?

The more volatile Case Shiller data declined by 0.3% in September while FHFA's broader data set showed 0.7% growth. These discrepancies aren't uncommon. Moreover, both are reflecting a mid-4% rate of appreciation in annual terms.



What are the implications for conforming loan limits, and what even is a conforming loan limit (CLL)?

The CLL is the highest loan amount that can be guaranteed by housing agencies Fannie Mae and Freddie Mac. Their guarantee allows for several advantages ranging from standardized automated underwriting capabilities to generally lower interest rates. There is a base loan limit, but some of the most expensive counties can be 150% of that limit.

The previous loan limit was $766,550.

Do we know the new loan limit for 2025 yet?
FHFA should be announcing this shortly, so the following is not official, but based on the FHFA's published methodology, we are estimating the new loan limit to be announced at $806,500 with a maximum high cost area limit of $1,209,750.

This is based on the Q3, 2023 home price index of 389.15 and the just-released Q3 2024 index value of 409.32--an increase of 5.2114%. Applying a 5.2114% increase to the previous loan limit yields a result of $806,497, which would then be rounded to $806,500.