Conforming Loan Limit Rises to $832,750 Amid Lowest Home Price Growth Since 2012

Both the FHFA and the S&P/Cotality Case-Shiller home-price indices released new data this week. The message remains consistent: home prices are still higher than a year ago, but the pace of appreciation continues to slow.

FHFA's national index shows prices up **1.7% year-over-year** and flat **0.0% month-over-month** in September after August was revised to 0.0%. The stagnation in monthly movement reflects a clear deceleration taking hold across most regions.

The Case-Shiller 20-City Composite posted a **1.4% annual gain** in September, down from 1.6% in the previous month. On a **seasonally adjusted** basis, the 20-City Composite rose **0.1% month-over-month**, consistent with the broader cooling trend as elevated mortgage rates continue to weigh on demand and affordability.

Both indices point to similar conditions: slower appreciation, weaker monthly momentum, and home-price growth now trailing inflation. This shift further tightens affordability and underscores a market that has transitioned into a slower, more restrained phase of the cycle.

Conforming Loan Limit Update (2026)

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The FHFA announced that the 2026 baseline conforming loan limit for one-unit properties is **$832,750**, an increase of $26,250 from 2025. High-cost areas will see a limit of **$1,249,125**, or 150% of the national baseline. These updates reflect slower—but still positive—home-price appreciation over the past year and will shape eligibility and pricing for conforming mortgages.

While prices remain historically high, the market's monthly performance continues to flatten. With both FHFA and Case-Shiller signaling subdued momentum, there is little reason to expect an acceleration in year-over-year gains in the near term. The combination of modest appreciation and updated loan limits sets a cooler but stable backdrop heading into 2026.

FHFA House Price Index (seasonally adjusted)

- **MoM:** 0.0% in September (August revised to 0.0% from 0.4%).
- **YoY:** +1.7% vs. September 2024.

S&P/Cotality Case-Shiller 20-City Composite (seasonally adjusted)

- **YoY:** +1.4% in September.
- **MoM (SA):** +0.1%.

Seasonally Adjusted Comparison

Index	MoM (SA)	YoY
FHFA HPI	0.0%	+1.7%
Case-Shiller (20-City)	+0.1%	+1.4%

Longer-Term View: YoY Trends

- FHFA's +1.7% annual rate is the weakest since 2012.
- Case-Shiller's +1.4% 20-City pace reflects the broader slowdown underway across major metros.

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