



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

Special Attention of:

Notice H 13-27

All Regional Directors, Multifamily Hub  
Directors, Multifamily Program Center  
Directors, Supervisory Project Managers

Issued: September 09, 2013  
Expires: This notice remains in effect  
until amended, revoked, or superseded.

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Cross Reference:  
Mortgagee Letter 2013-30

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**SUBJECT:** Annual Base City High Cost Percentage and High Cost Area Revisions for 2013

In accordance with Chapter 5, paragraph 5-6 of HUD Handbook 4445.1 REV-2, Underwriting Technical Direction for Project Mortgage Insurance, we have reviewed the High Cost Percentages (HCP) for each Base City. Each Base City HCP has been recalculated based on Marshall & Swift construction data. The results are reflected in the attached list of authorized Base City HCPs, effective January 1, 2014.

Statutory Exceptions to the Maximum Mortgage Amounts and High Cost Areas

Maximum mortgage amounts were revised by the Consolidated Appropriations Act 2008 (Public Law 110-161, approved December 26, 2007) (FY 2008 Appropriations Act) which appropriated Fiscal Year 2008 funds for the majority of Federal agencies, including HUD. Section 221 of the General Provisions of Title II of Division K of the FY 2008 Appropriations Act revises the statutory exceptions to maximum mortgage amounts for the FHA Multifamily Housing Programs, listed in Section 221 of the FY 2008 Appropriations Act, by (1) substituting 170 percent for the 140 percent exception of any geographical area, and (2) substituting 215 percent for 170 percent as the maximum exception allowed for a specific project. Accordingly, the statutory revision allows the Secretary to grant exceptions to maximum mortgage limits for certain Multifamily Housing Programs by (1) up to 170 percent, (equivalent to a 270 percent multiplier) in geographical areas where cost levels so require or (2) up to 170 percent, or up to 215 percent in High Cost Areas, (equivalent to a 315 percent multiplier) where necessary on a project-by-project basis.

The Law does not determine which areas are to be considered "High Cost Areas." Accordingly, the Office of Multifamily Development has developed a list of High Cost Areas. For 2013, the threshold for a High Cost Area has been set for all areas (Special Limit Areas excepted) with assigned HCP multipliers of 271 percent or greater. This list (Base City High Cost percentages) is attached.

**FHA MULTIFAMILY STATUTORY MORTGAGE PROGRAMS**  
**BASE CITY HIGH COST PERCENTAGES - Effective January 1, 2013**

| <u>BASE CITY</u>        | <u>HCP</u> | <u>BASE CITY</u>          | <u>HCP</u> |
|-------------------------|------------|---------------------------|------------|
| <b>BOSTON MA</b>        | 270 %      | <b>DETROIT MI Hub</b>     | 270 %      |
| HARTFORD CT             | 270 %      | GRAND RAPIDS MI           | 237 %      |
| BANGOR ME (PORTLAND)    | 270 %      |                           |            |
| MANCHESTER NH           | 270 %      | <b>MINNEAPOLIS MN</b>     | 270 %      |
| PROVIDENCE RI           | 270 %      | MILWAUKEE WI              | 270 %      |
| BURLINGTON VT           | 270 %      |                           |            |
|                         |            | <b>FORT WORTH TX Hub</b>  | 211%       |
| <b>NEW YORK NY Hub</b>  | 270 %      | LITTLE ROCK AR            | 214 %      |
| ALBANY NY               | 270 %      | NEW ORLEANS LA            | 214 %      |
| BUFFALO NY              | 270%       | SHREVEPORT LA             | 214 %      |
|                         |            | ALBUQUERQUE NM            | 239 %      |
| <b>PHILADELPHIA PA</b>  | 270 %      | DALLAS TX                 | 211 %      |
| CHARLESTON WV           | 270 %      | HOUSTON TX                | 204 %      |
| CAMDEN NJ (TRENTON)     | 270 %      | LUBBOCK TX                | 204 %      |
| NEWARK NJ               | 270 %      | SAN ANTONIO TX            | 192 %      |
| PITTSBURGH PA           | 270 %      |                           |            |
| WILMINGTON DE           | 270 %      | <b>KANSAS CITY KS Hub</b> | 270 %      |
|                         |            | DES MOINES IA             | 230 %      |
| <b>BALTIMORE MD</b>     | 270 %      | TOPEKA KS                 | 236 %      |
| WASHINGTON DC           | 270 %      | ST. LOUIS MO              | 270 %      |
| RICHMOND VA             | 257 %      | OMAHA NE                  | 223 %      |
|                         |            | OKLAHOMA CITY OK          | 217 %      |
| <b>GREENSBORO Hub</b>   | 247 %      | TULSA OK                  | 217 %      |
| COLUMBIA SC             | 236 %      |                           |            |
|                         |            | <b>DENVER CO Hub</b>      | 260 %      |
| <b>ATLANTA GA Hub</b>   | 247 %      | HELENA MT                 | 239 %      |
| LOUISVILLE KY           | 230%       | FARGO ND                  | 233 %      |
| KNOXVILLE TN            | 214 %      | SIOUX FALLS SD            | 220%       |
| MEMPHIS TN              | 214 %      | SALT LAKE CITY UT         | 253 %      |
| NASHVILLE TN            | 217 %      | CASPER WY                 | 249 %      |
| SAN JUAN PR (K WST)     | 270 %      |                           |            |
| US VIRG ISL.(SPEC LMT)  | 405 %      | <b>LOS ANGELES CA Hub</b> | 270 %      |
|                         |            | SANTA ANA CA (L.A.)       | 270 %      |
| <b>JACKSONVILLE Hub</b> | 240 %      | SAN DIEGO CA              | 270 %      |
| BIRMINGHAM AL           | 214 %      |                           |            |
| JACKSON MS              | 211 %      | <b>SAN FRANCISCO CA</b>   | 270 %      |
| MIAMI FL                | 250 %      | PHOENIX AZ                | 249 %      |
| TAMPA FL                | 257 %      | SACRAMENTO CA             | 270 %      |
|                         |            | HONOLULU HI (SP LMT)      | 405 %      |
| <b>CHICAGO IL Hub</b>   | 270 %      | LAS VEGAS NV              | 270 %      |
| SPRINGFIELD IL          | 270 %      |                           |            |
| INDIANAPOLIS IN         | 239 %      | <b>SEATTLE WA Hub</b>     | 270 %      |
|                         |            | ANCHORAGE AK(SP LMT)      | 405 %      |
| <b>COLUMBUS OH Hub</b>  | 246 %      | BOISE ID                  | 267 %      |
| CLEVELAND OH            | 265 %      | PORTLAND OR               | 270 %      |
| CINCINNATI OH           | 233 %      | SPOKANE WA                | 270 %      |

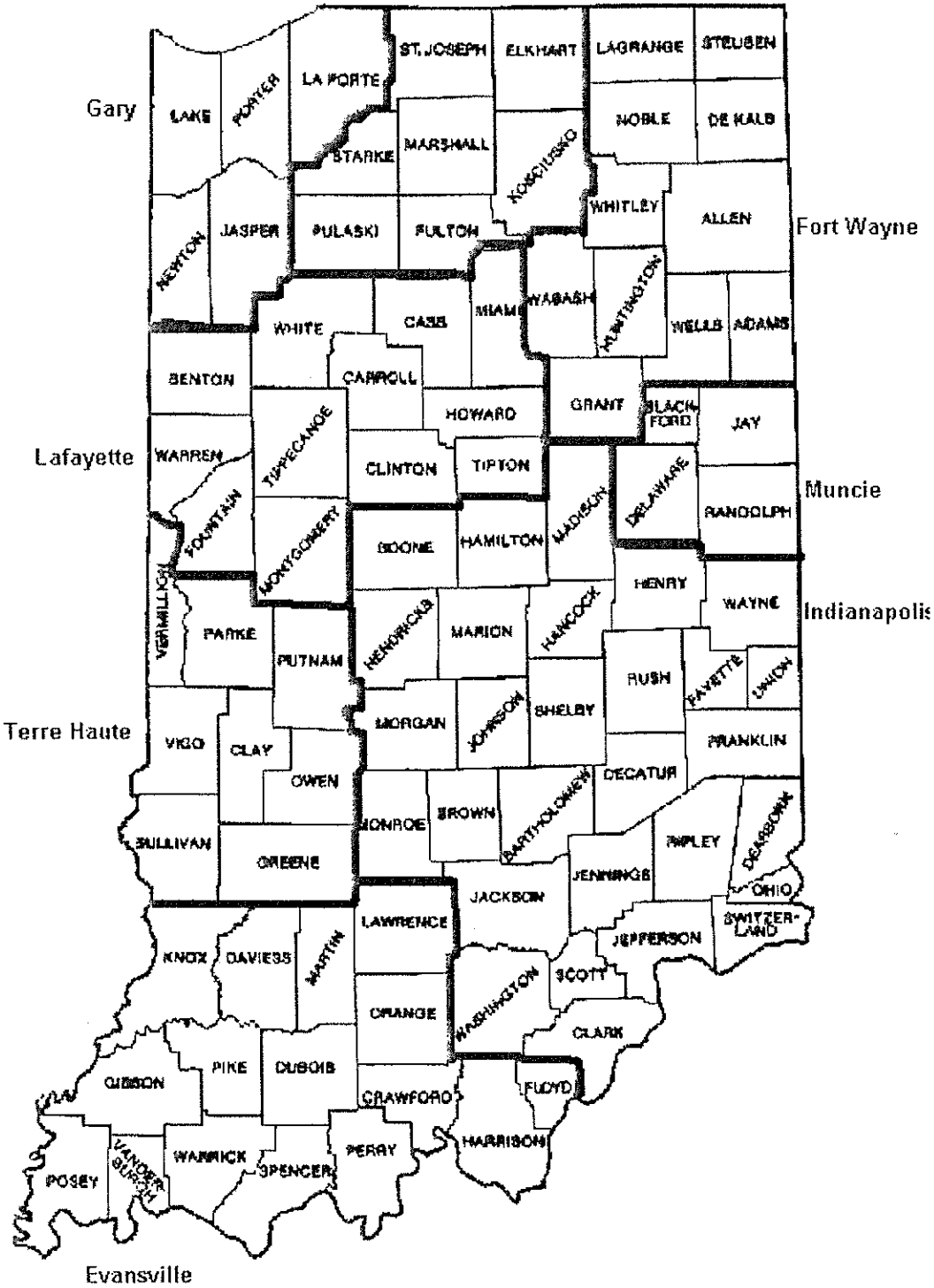
NOTE: Offices with an HCP of 270 or higher are designated High Cost Areas (HCA) and are shaded

**ILLINOIS/INDIANA  
KEY LOCALITY HIGH COST PERCENTAGES  
Effective January 1, 2013  
FHA MULTIFAMILY  
STATUTORY MORTGAGE PROGRAMS**

| <b>KEY LOCALITY</b>             | <b>*HCP</b> |
|---------------------------------|-------------|
| <b>ILLINOIS:</b>                |             |
| <b>CHAMPAIGN</b>                | <b>265%</b> |
| <b>CHICAGO (Base City)</b>      | <b>270%</b> |
| <b>EAST ST. LOUIS</b>           | <b>270%</b> |
| <b>PEORIA</b>                   | <b>268%</b> |
| <b>QUINCY</b>                   | <b>270%</b> |
| <b>ROCKFORD</b>                 | <b>270%</b> |
| <b>ROCK ISLAND</b>              | <b>254%</b> |
| <b>SPRINGFIELD (Base City)</b>  | <b>270%</b> |
| <b>STERLING</b>                 | <b>254%</b> |
| <b>INDIANA:</b>                 |             |
| <b>EVANSVILLE</b>               | <b>239%</b> |
| <b>FORT WAYNE</b>               | <b>234%</b> |
| <b>GARY</b>                     | <b>261%</b> |
| <b>INDIANAPOLIS (Base City)</b> | <b>239%</b> |
| <b>LAFAYETTE</b>                | <b>239%</b> |
| <b>MUNCIE</b>                   | <b>231%</b> |
| <b>SOUTH BEND</b>               | <b>237%</b> |
| <b>TERRE HAUTE</b>              | <b>237%</b> |

\* July 2013 Marshall Valuation Service Local Cost Multipliers for Key Locality/ Marshall Valuation Service Local Cost Multipliers for Base City multiplied by High Cost Percentage for Base City. Reference HUD Handbook 4425.1 REV - 2, Chapter 5.

South Bend



Evansville