



United States Department of Agriculture  
Rural Development

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USDA Rural Development Texas AN No. 574 (3550)

**TO:** All Offices  
USDA Rural Development, Texas

March 21, 2003

**FROM:** Bryan Daniel   
State Director  
USDA Rural Development, Temple

**SUBJECT:** Direct Single Family Housing Area Loan Limits

**PURPOSE/INTENDED OUTCOME:** The purpose of this Administrative Notice (AN) is to establish maximum loan limits, authorized under the Section 502 direct loan program and to provide guidance for USDA Rural Development employees in the processing of direct Single Family Housing (SFH) applications.

**COMPARISONS WITH PREVIOUS ANs:** There are no previous ANs on this subject.

**IMPLEMENTATION RESPONSIBILITIES:** USDA Rural Development employees will review and process direct Single Family Housing applications in the manner described below when determining maximum loan limitations.

The Final Rule of 7 CFR 3550 changed a critical component of the modest housing definition. The description of modest housing changed from “cost that does not exceed the applicable limit established under 203(b)” to “**market value that does not exceed the applicable area loan limit as established by RHS...**” Builders, Realtors and applicants must be notified immediately of this change in USDA Rural Development regulations. In addition, a modest dwelling must be one that is considered modest for the area, must not be designed for income producing purposes, must not have an in-ground swimming pool or have a market value in excess of the applicable maximum loan limit.

The new area loan limits are a maximum market value limit, not a goal for new Section 502 direct loans. For example, if the cost of a typical house in a particular county is \$85,000 then we should continue to finance houses in that price range, even though the area loan limit may have increased to \$100,000. This will lessen the chance of a house being determined ineligible due to the appraised value exceeding the applicable area loan limit.

**EXPIRATION DATE:**  
September 30, 2003

**FILING INSTRUCTIONS:**  
HB-1- 3550  
Appendix 10

The area loan limit is the maximum value of the property RHS will finance in a given locality. To arrive at the area loan limit value, the cost to construct a modest dwelling as provided by Marshall & Swift was added to the market value of a typical improved site.

Where possible, regional area limits were created on a geographical basis (two or more contiguous counties that are similar in economic characteristics). As directed by the National Office, when regional loan limits were established, the lowest area loan limit among the counties that constitute the geographical area was used. The revised Area Loan Limits for Texas are attached. These limits are effective March 24, 2003. All area loan limit data will be updated annually. **All USDA Rural Development offices are directed to begin collecting new comparable sales (of typical sites located in eligible areas) so they will be available when area loan limits are updated.**

Any loan amount for the Rural Housing Service (RHS) appraisal, tax monitoring fee, and the charge to establish an escrow account for taxes and insurance will not be subject to the area loan limit. The area loan limit does not apply to loans on non-program (NP) terms.

**As stated in HB-1-3550, paragraph 3550. 63 (a) (2), the maximum loan limit for a particular loan will be reduced in the following situations:**

- A. When the applicant owns the site or is purchasing the site at a sales price below market value, the market value of the lot will be deducted from the maximum loan limit, and
- B. When an applicant is receiving a housing grant or other form of affordable housing assistance for purposes other than closing costs, the amount(s) of such grants and affordable housing assistance will be deducted from the maximum loan limit.
- C. The maximum loan limit for self-help housing will be calculated by adding the total of the market value of the lot (including reasonable and typical costs of site development), the cost of construction, and the value of sweat equity. The total of these three factors cannot exceed the area loan limit.

Please contact Leon Carey, Rural Housing Programs, if you have any questions.

Attachment

**TEXAS AREA LOAN LIMITS**

	County	Area	Office	Code	Area Limit
TX	ARMSTRONG	1	A	49006	\$103,378
TX	BRISCOE	1	A	49023	\$95,374
TX	CARSON	1	A	49033	\$103,378
TX	CASTRO	1	A	49035	\$98,478
TX	CHILDRESS	1	A	49038	\$97,824
TX	COLLINGSWORTH	1	A	49044	\$97,824
TX	DALLAM	1	A	49056	\$102,478
TX	DEAF SMITH	1	A	49059	\$98,478
TX	DONLEY	1	A	49065	\$97,824
TX	GRAY	1	A	49090	\$97,824
TX	HALL	1	A	49096	\$97,824
TX	HANSFORD	1	A	49098	\$97,824
TX	HARTLEY	1	A	50003	\$102,478
TX	HEMPHILL	1	A	50006	\$97,824
TX	HUTCHINSON	1	A	50017	\$97,824
TX	LIPSCOMB	1	A	50048	\$97,824
TX	MOORE	1	A	50071	\$112,978
TX	OCHILTREE	1	A	50079	\$97,824
TX	OLDHAM	1	A	50080	\$98,478
TX	PARMER	1	A	50085	\$98,478
TX	POTTER	1	A	50088	\$112,978
TX	RANDALL	1	A	50091	\$112,978
TX	ROBERTS	1	A	50097	\$97,824
TX	SHERMAN	1	A	51011	\$97,824
TX	SWISHER	1	A	51019	\$98,478
TX	WHEELER	1	A	51042	\$97,824
TX	CULBERSON	1	E	49055	\$95,402
TX	EL PASO	1	E	49071	\$111,902
TX	HUDSPETH	1	E	50015	\$95,402
TX	ANDREWS	1	L	49002	\$96,324
TX	BAILEY	1	L	49009	\$96,324
TX	BORDEN	1	L	49017	\$96,324
TX	COCHRAN	1	L	49040	\$96,324
TX	COTTLE	1	L	49051	\$93,424
TX	CROSBY	1	L	49054	\$96,324
TX	DAWSON	1	L	49058	\$96,324
TX	DICKENS	1	L	49063	\$96,324
TX	FLOYD	1	L	49077	\$96,324
TX	GAINES	1	L	49083	\$96,324
TX	GARZA	1	L	49085	\$96,324
TX	HALE	1	L	49095	\$110,324
TX	HOCKLEY	1	L	50010	\$105,324
TX	HOWARD	1	L	50014	\$100,109
TX	KING	1	L	50035	\$96,324
TX	LAMB	1	L	50040	\$96,324
TX	LUBBOCK	1	L	50052	\$110,324
TX	LYNN	1	L	50053	\$96,324
TX	MARTIN	1	L	50059	\$96,324
TX	MOTLEY	1	L	50073	\$93,424
TX	TERRY	1	L	51023	\$105,324
TX	YOAKUM	1	L	51051	\$96,324

### TEXAS AREA LOAN LIMITS

	County	Area	Office	Code	Area Limit
TX	ARCHER	2	A	49005	\$103,958
TX	BAYLOR	2	A	49012	\$96,584
TX	CALLAHAN	2	A	49030	\$96,584
TX	FISHER	2	A	49076	\$100,109
TX	FOARD	2	A	49078	\$96,584
TX	HARDEMAN	2	A	49099	\$94,804
TX	HASKELL	2	A	50004	\$96,584
TX	JONES	2	A	50027	\$100,109
TX	KENT	2	A	50032	\$96,584
TX	KNOX	2	A	50038	\$96,584
TX	MITCHELL	2	A	50068	\$100,109
TX	NOLAN	2	A	50077	\$100,109
TX	SCURRY	2	A	51008	\$100,109
TX	SHACKELFORD	2	A	51009	\$96,584
TX	STEPHENS	2	A	51015	\$96,584
TX	STONEWALL	2	A	51017	\$96,584
TX	TAYLOR	2	A	51021	\$100,109
TX	THROCKMORTON	2	A	51024	\$96,584
TX	WICHITA	2	A	51043	\$103,958
TX	WILBARGER	2	A	51044	\$103,958
TX	YOUNG	2	A	51052	\$103,958
TX	BROWN	2	B	49025	\$101,902
TX	COKE	2	B	49041	\$95,324
TX	COLEMAN	2	B	49042	\$95,324
TX	COMANCHE	2	B	49047	\$101,902
TX	CONCHO	2	B	49048	\$95,324
TX	EASTLAND	2	B	49067	\$101,902
TX	HAMILTON	2	B	49097	\$101,902
TX	IRION	2	B	50018	\$96,291
TX	MCCULLOCH	2	B	50054	\$95,324
TX	MILLS	2	B	50067	\$101,902
TX	RUNNELS	2	B	51000	\$95,324
TX	SAN SABA	2	B	51006	\$95,324
TX	STERLING	2	B	51016	\$95,324
TX	TOM GREEN	2	B	51026	\$101,624
TX	BREWSTER	2	FT	49022	\$105,624
TX	CRANE	2	FT	49052	\$96,291
TX	CROCKETT	2	FT	49053	\$105,524
TX	ECTOR	2	FT	49068	\$110,124
TX	GLASSCOCK	2	FT	49087	\$96,291
TX	JEFF DAVIS	2	FT	50022	\$105,624
TX	LOVING	2	FT	50051	\$96,291
TX	MIDLAND	2	FT	50065	\$110,124
TX	PECOS	2	FT	50086	\$96,291
TX	PRESIDIO	2	FT	50089	\$105,624
TX	REAGAN	2	FT	50092	\$96,291
TX	REEVES	2	FT	50095	\$96,291
TX	TERRELL	2	FT	51022	\$96,291
TX	UPTON	2	FT	51031	\$96,291
TX	WARD	2	FT	51038	\$96,291
TX	WINKLER	2	FT	51048	\$96,291

**TEXAS AREA LOAN LIMITS**

	<b>County</b>	<b>Area</b>	<b>Office</b>	<b>Code</b>	<b>Area Limit</b>
TX	ELLIS	3	C	49070	\$114,621
TX	ERATH	3	C	49072	\$107,402
TX	HOOD	3	C	50011	\$114,621
TX	JOHNSON	3	C	50026	\$114,621
TX	SOMERVELL	3	C	51013	\$107,402
TX	TARRANT	3	C	51020	\$114,621
TX	CLAY	3	D	49039	\$107,402
TX	COOKE	3	D	49049	\$107,402
TX	JACK	3	D	50019	\$107,402
TX	MONTAGUE	3	D	50069	\$107,402
TX	PALO PINTO	3	D	50082	\$107,402
TX	PARKER	3	D	50084	\$114,621
TX	WISE	3	D	51049	\$112,621
TX	COLLIN	3	MC	49043	\$117,621
TX	DALLAS	3	MC	49057	\$117,621
TX	DENTON	3	MC	49061	\$117,621
TX	FANNIN	3	MC	49074	\$110,610
TX	GRAYSON	3	MC	49091	\$116,621
TX	HUNT	3	MC	50016	\$114,621
TX	ROCKWALL	3	MC	50099	\$120,621
TX	HENDERSON	4	C	50007	\$110,221
TX	KAUFMAN	4	C	50029	\$119,921
TX	RAINS	4	C	50090	\$110,221
TX	SMITH	4	C	51012	\$108,939
TX	VAN ZANDT	4	C	51034	\$110,221
TX	CHEROKEE	4	H	49037	\$102,939
TX	GREGG	4	H	49092	\$105,610
TX	HARRISON	4	H	50002	\$105,610
TX	MARION	4	H	50058	\$105,610
TX	PANOLA	4	H	50083	\$105,610
TX	RUSK	4	H	51001	\$105,610
TX	UPSHUR	4	H	51030	\$105,610
TX	WOOD	4	H	51050	\$105,610
TX	BOWIE	4	MT	49019	\$108,110
TX	CAMP	4	MT	49032	\$106,110
TX	CASS	4	MT	49034	\$106,110
TX	DELTA	4	MT	49060	\$103,710
TX	FRANKLIN	4	MT	49080	\$103,710
TX	HOPKINS	4	MT	50012	\$103,710
TX	LAMAR	4	MT	50039	\$103,710
TX	MORRIS	4	MT	50072	\$106,110
TX	RED RIVER	4	MT	50094	\$103,710
TX	TITUS	4	MT	51025	\$106,110
TX	BRAZOS	5	B	49021	\$118,465
TX	GRIMES	5	B	49093	\$109,465
TX	ROBERTSON	5	B	50098	\$105,402
TX	WALLER	5	B	51037	\$115,465
TX	BELL	5	G	49014	\$110,402
TX	BURNET	5	G	49027	\$117,402
TX	MILAM	5	G	50066	\$105,402
TX	TRAVIS	5	G	51027	\$117,402

**TEXAS AREA LOAN LIMITS**

	<b>County</b>	<b>Area</b>	<b>Office</b>	<b>Code</b>	<b>Area Limit</b>
TX	WILLIAMSON	5	G	51046	\$117,402
TX	ANDERSON	5	GR	49001	\$104,439
TX	FALLS	5	GR	49073	\$103,402
TX	FREESTONE	5	GR	49081	\$104,439
TX	LIMESTONE	5	GR	50047	\$104,439
TX	NAVARRO	5	GR	50075	\$112,621
TX	BOSQUE	5	H	49018	\$107,402
TX	CORYELL	5	H	49050	\$107,402
TX	HILL	5	H	50009	\$107,402
TX	LAMPASAS	5	H	50041	\$110,402
TX	MCLENNAN	5	H	50055	\$107,402
TX	BRAZORIA	6	A	49020	\$107,540
TX	FORT BEND	6	A	49079	\$113,815
TX	GALVESTON	6	A	49084	\$110,540
TX	CHAMBERS	6	H	49036	\$109,046
TX	HARRIS	6	H	50001	\$110,150
TX	LEON	6	H	50045	\$100,972
TX	LIBERTY	6	H	50046	\$110,150
TX	MADISON	6	H	50057	\$100,972
TX	MONTGOMERY	6	H	50070	\$110,150
TX	SAN JACINTO	6	H	51004	\$106,690
TX	WALKER	6	H	51036	\$110,150
TX	HARDIN	6	J	50000	\$108,415
TX	JASPER	6	J	50021	\$105,664
TX	JEFFERSON	6	J	50023	\$117,268
TX	NEWTON	6	J	50076	\$102,599
TX	ORANGE	6	J	50081	\$108,415
TX	POLK	6	J	50087	\$105,664
TX	TYLER	6	J	51029	\$105,664
TX	ANGELINA	6	L	49003	\$105,664
TX	HOUSTON	6	L	50013	\$105,664
TX	NACOGDOCHES	6	L	50074	\$105,664
TX	SABINE	6	L	51002	\$102,599
TX	SAN AUGUSTINE	6	L	51003	\$102,599
TX	SHELBY	6	L	51010	\$102,599
TX	TRINITY	6	L	51028	\$105,664
TX	AUSTIN	7	B	49008	\$105,318
TX	BASTROP	7	B	49011	\$120,102
TX	BURLESON	7	B	49026	\$105,318
TX	COLORADO	7	B	49045	\$105,318
TX	FAYETTE	7	B	49075	\$105,318
TX	LEE	7	B	50044	\$105,318
TX	WASHINGTON	7	B	51039	\$112,715
TX	BANDERA	7	F	49010	\$103,048
TX	BLANCO	7	F	49016	\$108,805
TX	GILLESPIE	7	F	49086	\$111,952
TX	KENDALL	7	F	50030	\$122,154
TX	KERR	7	F	50033	\$103,048
TX	KIMBLE	7	F	50034	\$98,967
TX	LLANO	7	F	50050	\$108,805
TX	MASON	7	F	50060	\$98,967

**TEXAS AREA LOAN LIMITS**

	<b>County</b>	<b>Area</b>	<b>Office</b>	<b>Code</b>	<b>Area Limit</b>
TX	MEDINA	7	F	50063	\$105,911
TX	MENARD	7	F	50064	\$93,922
TX	SCHLEICHER	7	F	51007	\$93,922
TX	SUTTON	7	F	51018	\$98,967
TX	ATASCOSA	7	S	49007	\$103,357
TX	BEXAR	7	S	49015	\$115,012
TX	CALDWELL	7	S	49028	\$116,717
TX	COMAL	7	S	49046	\$119,699
TX	GONZALES	7	S	49089	\$110,172
TX	GUADALUPE	7	S	49094	\$110,172
TX	HAYS	7	S	50005	\$116,717
TX	KARNES	7	S	50028	\$95,047
TX	WILSON	7	S	51047	\$115,012
TX	ARANSAS	8	A	49004	\$100,732
TX	BEE	8	A	49013	\$100,732
TX	DUVAL	8	A	49066	\$100,732
TX	FRIO	8	A	49082	\$100,391
TX	JIM WELLS	8	A	50025	\$100,732
TX	KENEDY	8	A	50031	\$100,732
TX	KLEBERG	8	A	50037	\$100,732
TX	LA SALLE	8	A	50042	\$100,391
TX	LIVE OAK	8	A	50049	\$100,732
TX	MCMULLEN	8	A	50056	\$92,591
TX	NUECES	8	A	50078	\$100,732
TX	REFUGIO	8	A	50096	\$93,218
TX	SAN PATRICIO	8	A	51005	\$100,732
TX	CALHOUN	8	E	49029	\$109,218
TX	DE WITT	8	E	49062	\$102,718
TX	GOLIAD	8	E	49088	\$106,118
TX	JACKSON	8	E	50020	\$99,218
TX	LAVACA	8	E	50043	\$106,118
TX	MATAGORDA	8	E	50061	\$116,405
TX	VICTORIA	8	E	51035	\$106,118
TX	WHARTON	8	E	51041	\$116,405
TX	BROOKS	8	H	49024	\$102,256
TX	JIM HOGG	8	H	50024	\$102,256
TX	DIMMIT	8	U	49064	\$102,591
TX	EDWARDS	8	U	49069	\$102,591
TX	KINNEY	8	U	50036	\$102,591
TX	MAVERICK	8	U	50062	\$102,591
TX	REAL	8	U	50093	\$102,591
TX	UVALDE	8	U	51032	\$102,591
TX	VAL VERDE	8	U	51033	\$106,691
TX	ZAVALA	8	U	51054	\$102,591
TX	HIDALGO	9	E	50008	\$94,091
TX	STARR	9	R	51014	\$94,091
TX	WEBB	9	R	51040	\$94,091
TX	ZAPATA	9	R	51053	\$94,091
TX	CAMERON	9	S	49031	\$94,091
TX	WILLACY	9	S	51045	\$94,091