



United States Department of Agriculture  
Rural Development

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USDA Rural Development Texas AN No. 579 (3550)

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

SEP 26 2003

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

**SUBJECT:** Fiscal Year 2004 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:** This AN replaces Texas AN number 574 which expires September 30, 2003.

**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.

Revisions made to HB-1-3550 on September 10, 2003, changed the definition of "Market Value". As stated in HB-1-3550, paragraph 6.6:

"Market value is generally accepted to mean the price for property agreed upon between a willing and informed buyer and a willing and informed seller and/or contractor under usual and ordinary circumstances when the property is exposed for sale on the open market with reasonable time allowed to find a purchaser. This determination shall be made at the time the purchase agreement or construction package is submitted and is not dependent on the appraised value. The total amount of the Agency loan, loans from other sources, or the applicant's own funds, including but not limited to the value of the site, cannot exceed the applicable area loan limit."

Builders, Realtors and applicants must be reminded of this change in USDA Rural Development regulations.

**EXPIRATION DATE:**  
September 30, 2004

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

In addition, a modest dwelling must be one that is considered modest for the area, must not be designed for income producing purposes, and must not have an in-ground swimming pool.

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.

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 and rounded to the nearest \$100. 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. To prevent severe reductions in some county limits, we froze some county limits that went into effect March 24, 2003, and rounded them to the nearest \$100. The revised Area Loan Limits for Texas are attached. These limits are effective October 1, 2003. All area loan limits 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 next year.**

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 (B), 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 area loan limit.
- B. When an applicant is receiving a housing grant or other form of affordable housing assistance for eligible loan purposes other than closing costs, the amount of such grants and other affordable housing assistance will be deducted from the area loan limit.
- C. The maximum loan amount for self-help housing will be determined 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 factors cannot exceed the area loan limit for the area.

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

Attachment

### FY 2004 TEXAS AREA LOAN LIMITS

FIPS Code	AREA #	OFFICE	County or Equivalent	ST	2004 Area Limits
48011	1	A	Armstrong	TX	\$103,500.00
48045	1	A	Briscoe	TX	\$95,400.00
48065	1	A	Carson	TX	\$103,500.00
48069	1	A	Castro	TX	\$98,500.00
48075	1	A	Childress	TX	\$98,300.00
48087	1	A	Collingsworth	TX	\$98,300.00
48111	1	A	Dallam	TX	\$102,600.00
48117	1	A	Deaf Smith	TX	\$98,500.00
48129	1	A	Donley	TX	\$98,300.00
48179	1	A	Gray	TX	\$98,300.00
48191	1	A	Hall	TX	\$98,300.00
48195	1	A	Hansford	TX	\$98,300.00
48205	1	A	Hartley	TX	\$102,600.00
48211	1	A	Hemphill	TX	\$98,300.00
48233	1	A	Hutchinson	TX	\$98,300.00
48295	1	A	Lipscomb	TX	\$98,300.00
48341	1	A	Moore	TX	\$113,000.00
48357	1	A	Ochiltree	TX	\$98,300.00
48359	1	A	Oldham	TX	\$98,500.00
48369	1	A	Parmer	TX	\$98,500.00
48375	1	A	Potter	TX	\$113,000.00
48381	1	A	Randall	TX	\$113,000.00
48393	1	A	Roberts	TX	\$98,300.00
48421	1	A	Sherman	TX	\$98,300.00
48437	1	A	Swisher	TX	\$98,500.00
48483	1	A	Wheeler	TX	\$98,300.00
48109	1	E	Culberson	TX	\$96,500.00
48141	1	E	El Paso	TX	\$113,000.00
48229	1	E	Hudspeth	TX	\$96,500.00
48003	1	L	Andrews	TX	\$96,900.00
48017	1	L	Bailey	TX	\$96,900.00
48033	1	L	Borden	TX	\$96,900.00
48079	1	L	Cochran	TX	\$96,900.00
48101	1	L	Cottle	TX	\$94,600.00
48107	1	L	Crosby	TX	\$96,900.00
48115	1	L	Dawson	TX	\$96,900.00
48125	1	L	Dickens	TX	\$96,900.00
48153	1	L	Floyd	TX	\$96,300.00
48165	1	L	Gaines	TX	\$96,900.00
48169	1	L	Garza	TX	\$96,900.00
48189	1	L	Hale	TX	\$111,500.00
48219	1	L	Hockley	TX	\$106,500.00
48227	1	L	Howard	TX	\$103,600.00
48269	1	L	King	TX	\$96,900.00

## FY 2004 TEXAS AREA LOAN LIMITS

FIPS Code	AREA #	OFFICE	County or Equivalent	ST	2004 Area Limits
48279	1	L	Lamb	TX	\$96,900.00
48303	1	L	Lubbock	TX	\$111,500.00
48305	1	L	Lynn	TX	\$96,900.00
48317	1	L	Martin	TX	\$96,900.00
48345	1	L	Motley	TX	\$94,600.00
48445	1	L	Terry	TX	\$105,300.00
48501	1	L	Yoakum	TX	\$96,900.00
48009	2	A	Archer	TX	\$106,600.00
48023	2	A	Baylor	TX	\$98,400.00
48059	2	A	Callahan	TX	\$98,400.00
48151	2	A	Fisher	TX	\$103,400.00
48155	2	A	Foard	TX	\$96,600.00
48197	2	A	Hardeman	TX	\$96,300.00
48207	2	A	Haskell	TX	\$98,400.00
48253	2	A	Jones	TX	\$103,400.00
48263	2	A	Kent	TX	\$98,400.00
48275	2	A	Knox	TX	\$98,400.00
48335	2	A	Mitchell	TX	\$103,400.00
48353	2	A	Nolan	TX	\$103,400.00
48415	2	A	Scurry	TX	\$103,400.00
48417	2	A	Shackelford	TX	\$96,600.00
48429	2	A	Stephens	TX	\$98,400.00
48433	2	A	Stonewall	TX	\$98,400.00
48441	2	A	Taylor	TX	\$103,400.00
48447	2	A	Throckmorton	TX	\$96,600.00
48485	2	A	Wichita	TX	\$106,600.00
48487	2	A	Wilbarger	TX	\$106,600.00
48503	2	A	Young	TX	\$104,000.00
48049	2	B	Brown	TX	\$105,700.00
48081	2	B	Coke	TX	\$99,200.00
48083	2	B	Coleman	TX	\$104,700.00
48093	2	B	Comanche	TX	\$105,700.00
48095	2	B	Concho	TX	\$99,200.00
48133	2	B	Eastland	TX	\$105,700.00
48193	2	B	Hamilton	TX	\$105,700.00
48235	2	B	Irion	TX	\$98,500.00
48307	2	B	McCulloch	TX	\$104,700.00
48333	2	B	Mills	TX	\$103,200.00
48399	2	B	Runnels	TX	\$99,200.00
48411	2	B	San Saba	TX	\$104,700.00
48431	2	B	Sterling	TX	\$99,200.00
48451	2	B	Tom Green	TX	\$104,700.00
48043	2	FT	Brewster	TX	\$105,700.00
48103	2	FT	Crane	TX	\$98,500.00

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FIPS Code	AREA #	OFFICE	County or Equivalent	ST	2004 Area Limits
48105	2	FT	Crockett	TX	\$105,600.00
48135	2	FT	Ector	TX	\$110,200.00
48173	2	FT	Glasscock	TX	\$98,500.00
48243	2	FT	Jeff Davis	TX	\$105,700.00
48301	2	FT	Loving	TX	\$98,500.00
48329	2	FT	Midland	TX	\$110,200.00
48371	2	FT	Pecos	TX	\$98,500.00
48377	2	FT	Presidio	TX	\$105,700.00
48383	2	FT	Reagan	TX	\$98,500.00
48389	2	FT	Reeves	TX	\$98,500.00
48443	2	FT	Terrell	TX	\$98,500.00
48461	2	FT	Upton	TX	\$98,500.00
48475	2	FT	Ward	TX	\$98,500.00
48495	2	FT	Winkler	TX	\$98,500.00
48139	3	C	Ellis	TX	\$114,600.00
48143	3	C	Erath	TX	\$107,500.00
48221	3	C	Hood	TX	\$114,600.00
48251	3	C	Johnson	TX	\$114,600.00
48425	3	C	Somervell	TX	\$107,500.00
48439	3	C	Tarrant	TX	\$114,600.00
48077	3	D	Clay	TX	\$107,500.00
48097	3	D	Cooke	TX	\$107,500.00
48237	3	D	Jack	TX	\$107,500.00
48337	3	D	Montague	TX	\$107,500.00
48363	3	D	Palo Pinto	TX	\$107,500.00
48367	3	D	Parker	TX	\$114,600.00
48497	3	D	Wise	TX	\$112,600.00
48085	3	MC	Collin	TX	\$130,200.00
48113	3	MC	Dallas	TX	\$117,600.00
48121	3	MC	Denton	TX	\$130,200.00
48147	3	MC	Fannin	TX	\$110,600.00
48181	3	MC	Grayson	TX	\$123,300.00
48231	3	MC	Hunt	TX	\$115,000.00
48397	3	MC	Rockwall	TX	\$130,200.00
48213	4	C	Henderson	TX	\$110,200.00
48257	4	C	Kaufman	TX	\$119,900.00
48379	4	C	Rains	TX	\$110,200.00
48423	4	C	Smith	TX	\$108,900.00
48467	4	C	Van Zandt	TX	\$110,200.00
48073	4	H	Cherokee	TX	\$105,100.00
48183	4	H	Gregg	TX	\$105,600.00
48203	4	H	Harrison	TX	\$105,600.00
48315	4	H	Marion	TX	\$105,600.00
48365	4	H	Panola	TX	\$105,600.00

## FY 2004 TEXAS AREA LOAN LIMITS

FIPS Code	AREA #	OFFICE	County or Equivalent	ST	2004 Area Limits
48401	4	H	Rusk	TX	\$105,600.00
48459	4	H	Upshur	TX	\$105,600.00
48499	4	H	Wood	TX	\$105,600.00
48119	4	MP	Delta	TX	\$103,700.00
48037	4	MT	Bowie	TX	\$108,100.00
48063	4	MT	Camp	TX	\$106,100.00
48067	4	MT	Cass	TX	\$106,100.00
48159	4	MT	Franklin	TX	\$103,700.00
48223	4	MT	Hopkins	TX	\$104,100.00
48277	4	MT	Lamar	TX	\$104,100.00
48343	4	MT	Morris	TX	\$106,100.00
48387	4	MT	Red River	TX	\$103,700.00
48449	4	MT	Titus	TX	\$106,100.00
48041	5	B	Brazos	TX	\$118,500.00
48185	5	B	Grimes	TX	\$109,500.00
48395	5	B	Robertson	TX	\$105,500.00
48473	5	B	Waller	TX	\$115,500.00
48027	5	G	Bell	TX	\$111,500.00
48053	5	G	Burnet	TX	\$117,500.00
48331	5	G	Milam	TX	\$105,500.00
48453	5	G	Travis	TX	\$121,500.00
48491	5	G	Williamson	TX	\$121,500.00
48001	5	GR	Anderson	TX	\$104,400.00
48145	5	GR	Falls	TX	\$103,500.00
48161	5	GR	Freestone	TX	\$104,400.00
48293	5	GR	Limestone	TX	\$104,400.00
48349	5	GR	Navarro	TX	\$112,600.00
48035	5	H	Bosque	TX	\$107,400.00
48099	5	H	Coryell	TX	\$107,400.00
48217	5	H	Hill	TX	\$107,400.00
48281	5	H	Lampasas	TX	\$110,400.00
48309	5	H	McLennan	TX	\$107,500.00
48039	6	A	Brazoria	TX	\$114,000.00
48157	6	A	Fort Bend	TX	\$113,800.00
48167	6	A	Galveston	TX	\$110,600.00
48071	6	H	Chambers	TX	\$110,600.00
48201	6	H	Harris	TX	\$110,600.00
48289	6	H	Leon	TX	\$101,300.00
48291	6	H	Liberty	TX	\$110,200.00
48313	6	H	Madison	TX	\$101,300.00
48339	6	H	Montgomery	TX	\$110,600.00
48407	6	H	San Jacinto	TX	\$108,800.00
48471	6	H	Walker	TX	\$110,200.00
48199	6	J	Hardin	TX	\$108,400.00

## FY 2004 TEXAS AREA LOAN LIMITS

FIPS Code	AREA #	OFFICE	County or Equivalent	ST	2004 Area Limits
48241	6	J	Jasper	TX	\$105,700.00
48245	6	J	Jefferson	TX	\$117,300.00
48351	6	J	Newton	TX	\$102,600.00
48361	6	J	Orange	TX	\$108,400.00
48373	6	J	Polk	TX	\$105,700.00
48457	6	J	Tyler	TX	\$105,700.00
48005	6	L	Angelina	TX	\$105,700.00
48225	6	L	Houston	TX	\$105,700.00
48347	6	L	Nacogdoches	TX	\$108,700.00
48403	6	L	Sabine	TX	\$102,600.00
48405	6	L	San Augustine	TX	\$102,600.00
48419	6	L	Shelby	TX	\$102,600.00
48455	6	L	Trinity	TX	\$105,700.00
48015	7	B	Austin	TX	\$117,500.00
48021	7	B	Bastrop	TX	\$122,300.00
48051	7	B	Burleson	TX	\$113,800.00
48089	7	B	Colorado	TX	\$115,900.00
48149	7	B	Fayette	TX	\$115,900.00
48287	7	B	Lee	TX	\$108,300.00
48477	7	B	Washington	TX	\$117,500.00
48019	7	F	Bandera	TX	\$113,400.00
48031	7	F	Blanco	TX	\$110,700.00
48171	7	F	Gillespie	TX	\$118,200.00
48259	7	F	Kendall	TX	\$122,200.00
48265	7	F	Kerr	TX	\$113,400.00
48267	7	F	Kimble	TX	\$104,700.00
48299	7	F	Llano	TX	\$110,700.00
48319	7	F	Mason	TX	\$104,700.00
48325	7	F	Medina	TX	\$108,900.00
48327	7	F	Menard	TX	\$99,800.00
48413	7	F	Schleicher	TX	\$99,800.00
48435	7	F	Sutton	TX	\$104,700.00
48013	7	S	Atascosa	TX	\$117,000.00
48029	7	S	Bexar	TX	\$123,500.00
48055	7	S	Caldwell	TX	\$124,400.00
48091	7	S	Comal	TX	\$123,500.00
48177	7	S	Gonzales	TX	\$123,500.00
48187	7	S	Guadalupe	TX	\$124,400.00
48209	7	S	Hays	TX	\$124,400.00
48255	7	S	Karnes	TX	\$109,200.00
48493	7	S	Wilson	TX	\$123,500.00
48007	8	A	Aransas	TX	\$100,700.00
48025	8	A	Bee	TX	\$100,700.00
48131	8	A	Duval	TX	\$100,700.00

## FY 2004 TEXAS AREA LOAN LIMITS

FIPS Code	AREA #	OFFICE	County or Equivalent	ST	2004 Area Limits
48163	8	A	Frio	TX	\$102,600.00
48249	8	A	Jim Wells	TX	\$100,700.00
48261	8	A	Kenedy	TX	\$100,700.00
48273	8	A	Kleberg	TX	\$100,700.00
48283	8	A	La Salle	TX	\$102,600.00
48297	8	A	Live Oak	TX	\$100,700.00
48311	8	A	McMullen	TX	\$94,800.00
48355	8	A	Nueces	TX	\$100,700.00
48391	8	A	Refugio	TX	\$94,400.00
48409	8	A	San Patricio	TX	\$100,700.00
48057	8	E	Calhoun	TX	\$113,300.00
48123	8	E	DeWitt	TX	\$103,900.00
48175	8	E	Goliad	TX	\$107,300.00
48239	8	E	Jackson	TX	\$102,500.00
48285	8	E	Lavaca	TX	\$107,300.00
48321	8	E	Matagorda	TX	\$116,500.00
48469	8	E	Victoria	TX	\$107,300.00
48481	8	E	Wharton	TX	\$116,500.00
48047	8	H	Brooks	TX	\$102,400.00
48247	8	H	Jim Hogg	TX	\$102,400.00
48127	8	U	Dimmit	TX	\$105,800.00
48137	8	U	Edwards	TX	\$104,900.00
48271	8	U	Kinney	TX	\$104,900.00
48323	8	U	Maverick	TX	\$109,500.00
48385	8	U	Real	TX	\$104,900.00
48463	8	U	Uvalde	TX	\$106,700.00
48465	8	U	Val Verde	TX	\$109,500.00
48507	8	U	Zavala	TX	\$105,800.00
48215	9	E	Hidalgo	TX	\$97,300.00
48427	9	R	Starr	TX	\$97,300.00
48479	9	R	Webb	TX	\$97,300.00
48505	9	R	Zapata	TX	\$97,300.00
48061	9	S	Cameron	TX	\$97,300.00
48489	9	S	Willacy	TX	\$97,300.00
			<b>STATE AVERAGE</b>		<b>\$105,334.65</b>