



NEWS

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FEDERAL HOUSING FINANCE BOARD REPORTS OCTOBER AVERAGE HOUSE PRICE OF \$235,700

Washington, D.C. -- The Federal Housing Finance Board today reported that the national average one-family house purchase price in October was \$235,700. This October 2002 average price compares with a national average one-family house purchase price of \$219,600 in October 2001 and \$200,800 in October 2000.

The Fannie Mae Charter Act and the Freddie Mac Act reference this October average price. The Housing and Community Development Act of 1980 amended both of these acts to include a provision that allows both agencies to adjust each year the maximum size of mortgage loans that they can purchase. This statutory provision relies on this October average house price compared with that in the previous year.

The maximum size loan that Fannie Mae and Freddie Mac can purchase is usually known as the conforming loan limit. By law, the limit for 2003 will be determined by Fannie Mae and Freddie Mac. The Federal Housing Finance Board's only role is to provide the October average house price.

The average house price is based on a monthly survey of major lenders that are asked to report the terms and conditions on all conventional, single-family, fully amortized, purchase-money loans closed during the last five working days of the month. The data thus excludes FHA-insured and VA guaranteed mortgages, refinancing loans, and balloon loans. This month's data is based on 37,303 reported loans from 106 lenders, representing savings associations, mortgage companies, commercial banks, and mutual savings banks.

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