

Part III

Administrative, Procedural, and Miscellaneous

[26 CFR 601.201]: Rulings and determination letters
(Also: Part I, §§ 25, 103, 143)

Rev. Proc 2005-15

SECTION 1. PURPOSE

This revenue procedure provides issuers of qualified mortgage bonds, as defined in section 143(a) of the Internal Revenue Code, and issuers of mortgage credit certificates, as defined in section 25(c), with (1) the nationwide average purchase price for residences located in the United States, and (2) average area purchase price safe harbors for residences located in statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam.

SECTION 2. BACKGROUND

.01 Section 103(a) provides that, except as provided in section 103(b), gross income does not include interest on any state or local bond. Section 103(b)(1) provides that section 103(a) shall not apply to any private activity bond that is not a "qualified

bond" within the meaning of section 141. Section 141(e) provides, in part, that the term "qualified bond" means any private activity bond if such bond (1) is a qualified mortgage bond under section 143, (2) meets the volume cap requirements under section 146, and (3) meets the applicable requirements under section 147.

.02 Section 143(a)(1) provides that the term "qualified mortgage bond" means a bond that is issued as part of a qualified mortgage issue. Section 143(a)(2)(A) provides that the term "qualified mortgage issue" means an issue of one or more bonds by a state or political subdivision thereof, but only if: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve) are to be used to finance owner-occupied residences; (ii) the issue meets the requirements of subsections (c), (d), (e), (f), (g), (h), (i), and (m)(7) of section 143; (iii) the issue does not meet the private business tests of paragraphs (1) and (2) of section 141(b); and (iv) with respect to amounts received more than 10 years after the date of issuance, repayments of \$250,000 or more of principal on mortgage financing provided by the issue are used by the close of the first semiannual period beginning after the date the prepayment (or complete repayment) is received to redeem bonds that are part of the issue.

Average Area Purchase Price

.03 Section 143(e)(1) provides that an issue of bonds meets the purchase price requirements of section 143(e) if the acquisition cost of each residence financed by the issue does not exceed 90 percent of the average area purchase price applicable to such residence. Section 143(e)(5) provides that, in the case of a targeted area residence (as defined in section 143(j)), section 143(e)(1) shall be applied by

substituting 110 percent for 90 percent.

.04 Section 143(e)(2) provides that the term "average area purchase price" means, with respect to any residence, the average purchase price of single-family residences (in the statistical area in which the residence is located) that were purchased during the most recent 12-month period for which sufficient statistical information is available. Under sections 143(e)(3) and (4), respectively, separate determinations are to be made for new and existing residences, and for two-, three-, and four-family residences.

.05 Section 143(e)(2) provides that the determination of the average area purchase price for a statistical area shall be made as of the date on which the commitment to provide the financing is made or, if earlier, the date of the purchase of the residence.

.06 Section 143(k)(2)(A) provides that the term "statistical area" means (i) a metropolitan statistical area (MSA), and (ii) any county (or the portion thereof) that is not within an MSA. Section 143(k)(2)(C) further provides that if sufficient recent statistical information with respect to a county (or portion thereof) is unavailable, the Secretary may substitute another area for which there is sufficient recent statistical information for such county (or portion thereof). In the case of any portion of a State which is not within a county, section 143(k)(2)(D) provides that the Secretary may designate as a county any area that is the equivalent of a county. Section 6a.103A-1(b)(4)(i) of the Temporary Income Tax Regulations (issued under section 103A of the Internal Revenue Code of 1954, the predecessor of section 143) provides that the term "State" includes a

possession of the United States and the District of Columbia.

.07 Section 6a.103A-2(f)(5)(i) provides that an issuer may rely upon the average area purchase price safe harbors published by the Department of the Treasury for the statistical area in which a residence is located. Section 6a.103A-2(f)(5)(i) further provides that an issuer may use an average area purchase price limitation different from the published safe harbor if the issuer has more accurate and comprehensive data for the statistical area.

Qualified Mortgage Credit Certificate Program

.08 Section 25(c) permits a state or political subdivision to establish a qualified mortgage credit certificate program. In general, a qualified mortgage credit certificate program is a program under which the issuing authority elects not to issue an amount of private activity bonds that it may otherwise issue during the calendar year under section 146, and in their place, issues mortgage credit certificates to taxpayers in connection with the acquisition of their principal residences. Section 25(a)(1) provides, in general, that the holder of a mortgage credit certificate may claim a federal income tax credit equal to the product of the credit rate specified in the certificate and the interest paid or accrued during the tax year on the remaining principal of the indebtedness incurred to acquire the residence. Section 25(c)(2)(A)(iii)(III) generally provides that residences acquired in connection with the issuance of mortgage credit certificates must meet the purchase price requirements of section 143(e).

Income Limitations for Qualified Mortgage Bonds and Mortgage Credit Certificates

.09 Section 143(f) imposes limitations on the income of mortgagors for whom

financing may be provided by qualified mortgage bonds. In addition, section 25(c)(2)(A)(iii)(IV) provides that holders of mortgage credit certificates must meet the income requirement of section 143(f). Generally, under sections 143(f)(1) and 25(c)(2)(A)(iii)(IV), the income requirement is met only if all owner-financing under a qualified mortgage bond and all mortgage credit certificates issued under a qualified mortgage credit certificate program are provided to mortgagors whose family income is 115 percent or less of the applicable median family income. Section 143(f)(5), however, generally provides for an upward adjustment to the percentage limitation in high housing cost areas. High housing cost areas are defined in section 143(f)(5)(C) as any statistical area for which the housing cost/income ratio is greater than 1.2.

.10 Under section 143(f)(5)(D), the housing cost/income ratio with respect to any statistical area is determined by dividing (a) the applicable housing price ratio for such area by (b) the ratio that the area median gross income for such area bears to the median gross income for the United States. The applicable housing price ratio is the new housing price ratio (new housing average area purchase price divided by the new housing average purchase price for the United States) or the existing housing price ratio (existing housing average area purchase price divided by the existing housing average purchase price for the United States), whichever results in the housing cost/income ratio being closer to 1.

Average Area and Nationwide Purchase Price Limitations

.11 Average area purchase price safe harbors for each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin

Islands, and Guam were last published in Rev. Proc. 2004-18, 2004-9 I.R.B. 529.

.12 The nationwide average purchase price limitation was last published in section 5.02 of Rev. Proc. 2004-18. Guidance with respect to the United States and area median gross income figures that are to be used in computing the housing cost/income ratio described in section 143(f)(5) was last published in Rev. Proc. 2004-24, 2004-16 I.R.B. 790.

.13 This revenue procedure uses FHA loan limits for a given statistical area to calculate the average area purchase price safe harbor for that area. FHA sets limits on the dollar value of loans it will insure based on median home prices and conforming loan limits established by the Federal Home Loan Mortgage Corporation. In particular, FHA sets an area's loan limit at 95 percent of the median home sales price for the area, subject to certain floors and caps measured against conforming loan limits.

.14 To calculate the average area purchase price safe harbors in this revenue procedure, the FHA loan limits are adjusted to take into account the differences between average and median purchase prices. Because FHA loan limits do not differentiate between new and existing residences, this revenue procedure contains a single average area purchase price safe harbor for both new and existing residences in a statistical area. The Treasury Department and the Internal Revenue Service have determined that FHA loan limits provide a reasonable basis for determining average area purchase price safe harbors. If the Treasury Department and the Internal Revenue Service become aware of other sources of average purchase price data, including data that differentiate between new and existing residences, consideration will be given as to

whether such data provide a more accurate method for calculating average area purchase price safe harbors.

.15 The average area purchase price safe harbors listed in section 4.01 of this revenue procedure are based on FHA loan limits released January 3, 2005. FHA loan limits are available for statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam. See section 3.03 of this revenue procedure with respect to FHA loan limits revised after January 3, 2005.

.16 OMB Bulletin No. 03-04, dated and effective June 6, 2003, revised the definitions of the nation's metropolitan areas and recognized 49 new metropolitan statistical areas. The OMB bulletin no longer includes primary metropolitan statistical areas.

SECTION 3. APPLICATION

Average Area Purchase Price Safe Harbors

.01 Average area purchase price safe harbors for statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam are set forth in section 4.01 of this revenue procedure. Average area purchase price safe harbors are provided for single-family and two to four-family residences. For each type of residence, section 4.01 of this revenue procedure contains a single safe harbor that may be used for both new and existing residences. Issuers of qualified mortgage bonds and issuers of mortgage credit certificates may rely on these safe harbors to satisfy the requirements of sections

143(e) and (f). Section 4.01 of this revenue procedure provides safe harbors for MSAs and for certain counties and county equivalents. If no purchase price safe harbor is available for a statistical area, the safe harbor for "ALL OTHER AREAS" may be used for that statistical area (except for Alaska, for which a separate safe harbor is provided for statistical areas not listed).

.02 If a residence is in an MSA, the safe harbor applicable to it is the limitation of that MSA. If an MSA falls in more than one state, the MSA is listed in section 4.01 of this revenue procedure under each state.

.03 If the FHA revises the FHA loan limit for any statistical area after January 3, 2005, an issuer of qualified mortgage bonds or mortgage credit certificates may use the revised FHA loan limit for that statistical area to compute (as provided in the next sentence) a revised average area purchase price safe harbor for the statistical area provided that the issuer maintains records evidencing the revised FHA loan limit. The revised average area purchase price safe harbor for that statistical area is computed by dividing the revised FHA loan limit by .76.

.04 If, pursuant to section 6a.103A-2(f)(5)(i), an issuer uses more accurate and comprehensive data to determine the average area purchase price for a statistical area, the issuer must make separate average area purchase price determinations for new and existing residences. Moreover, when computing the average area purchase price for a statistical area that is an MSA, as defined in OMB Bulletin No. 03-04, the issuer must make the computation for the entire applicable MSA. When computing the average area purchase price for a statistical area that is not an MSA, the issuer must

make the computation for the entire statistical area and may not combine statistical areas. Thus, for example, the issuer may not combine two or more counties.

.05 If an issuer receives a ruling permitting it to rely on an average area purchase price limitation that is higher than the applicable safe harbor in this revenue procedure, the issuer may rely on that higher limitation for the purpose of satisfying the requirements of section 143(e) and (f) for bonds sold, and mortgage credit certificates issued, not more than 30 months following the termination date of the 12-month period used by the issuer to compute the limitation.

Nationwide Average Purchase Price

.06 Section 4.02 of this revenue procedure sets forth a single nationwide average purchase price for purposes of computing the housing cost/income ratio under section 143(f)(5).

.07 Issuers must use the nationwide average purchase price set forth in section 4.02 of this revenue procedure when computing the housing cost/income ratio under section 143(f)(5) regardless of whether they are relying on the average area purchase price safe harbors contained in this revenue procedure or using more accurate and comprehensive data to determine average area purchase prices for new and existing residences for a statistical area that are different from the published safe harbors in this revenue procedure.

.08 If, pursuant to section 6.02 of this revenue procedure, an issuer relies on the average area purchase price safe harbors contained in Rev. Proc. 2004-18, the issuer must use the nationwide average purchase price set forth in section 5.02 of Rev. Proc.

2004-18 in computing the housing cost/income ratio under section 143(f)(5). Likewise, if, pursuant to section 6.05 of this revenue procedure, an issuer relies on the nationwide average purchase price published in Rev. Proc. 2004-18, the issuer may not rely on the average area purchase price safe harbors published in this revenue procedure.

SECTION 4. AVERAGE AREA AND NATIONWIDE AVERAGE PURCHASE PRICES

.01 Average area purchase prices for single-family and two to four-family residences in MSAs, and for certain counties and county equivalents are set forth below. The safe harbor for “ALL OTHER AREAS” (found at the end of the table below) may be used for a statistical area that is not listed below (except for Alaska, for which a separate safe harbor is provided for statistical areas not listed).

Area Name	1 Family	2 Family	3 Family	4 Family
ALASKA				
ANCHORAGE, AK (MSA)	301,250	339,303	412,237	475,658
DENALI BOROUGH, AK	316,137	404,668	489,126	607,879
JUNEAU CITY and BOROUGH, AK	289,342	325,921	395,987	456,908
YAKUTAT CITY AND BOROUGH, AK	316,137	404,668	489,126	607,879
All other areas in Alaska	250,000	290,779	351,474	436,800
ARIZONA				
FLAGSTAFF, AZ (MSA)	268,750	302,697	367,763	436,800
MOHAVE COUNTY, AZ	321,842	362,500	440,461	508,224
CALIFORNIA				
AMADOR COUNTY, CA	320,000	360,421	437,895	505,263
BAKERSFIELD, CA (MSA)	237,375	290,779	351,474	436,800
INYO COUNTY, CA	381,999	436,447	530,263	611,842
CALVERAS COUNTY, CA	350,000	394,211	478,947	552,632
CHICO, CA (MSA)	310,000	349,158	424,211	489,474
HUMBOLDT COUNTY, CA	294,342	331,521	402,829	464,803
FRESNO, CA (MSA)	295,000	332,263	403,684	465,789
LOS ANGELES-LONG BEACH-SANTA	411,704	527,037	637,046	791,700

ANA, CA (MSA)				
MADERA, CA (MSA)	268,750	302,697	367,763	436,800
MARIPOSA COUNTY, CA	246,842	290,779	351,474	436,800
MERCED, CA (MSA)	312,500	351,974	427,632	493,421
MODESTO, CA (MSA)	362,500	408,289	496,053	572,368
MONO COUNTY, CA	381,999	488,975	591,028	734,521
NAPA, CA (MSA)	411,704	527,037	637,046	791,700
OXNARD-THOUSAND OAKS-VENTURA, CA (MSA)	411,704	527,037	637,046	791,700
TUOLUMNE COUNTY, CA	326,842	368,158	447,303	516,118
REDDING, CA (MSA)	293,750	330,855	401,974	463,816
RIVERSIDE-SAN BERNARDINO-ONTARIO, CA (MSA)	389,605	438,818	533,143	615,166
SACRAMENTO-ARDEN-ARCADE-ROSEVILLE, CA (MSA)	411,704	488,580	591,028	700,658
SALINAS, CA (MSA)	411,704	527,037	637,046	791,700
SAN DIEGO-CARLSBAD-SAN MARCOS, CA (MSA)	411,704	527,037	637,046	791,700
SAN FRANCISCO-OAKLAND-FREMONT, CA (MSA)	411,704	527,037	637,046	791,700
SAN JOSE-SUNNYVALE-SANTA CLARA, CA (MSA)	411,704	527,037	637,046	791,700
SAN LUIS OBISPO-PASO ROBLES, CA (MSA)	411,704	527,037	637,046	791,700
SANTA BARBARA-SANTA MARIA-GOLETA, CA (MSA)	411,704	527,037	637,046	791,700
SANTA CRUZ-WATSONVILLE, CA (MSA)	411,704	527,037	637,046	791,700
SANTA ROSA-PETALUMA, CA (MSA)	411,704	527,037	637,046	791,700
STOCKTON, CA (MSA)	399,938	450,457	547,283	631,480
NEVADA COUNTY, CA	381,999	475,868	578,158	667,105
MENDOCINO COUNTY, CA	373,750	420,961	511,447	590,132
VALLEJO-FAIRFIELD, CA (MSA)	411,704	520,921	632,895	730,263
VISALIA-PORTERVILLE, CA (MSA)	233,125	290,779	351,474	436,800
YUBA CITY, CA (MSA)	330,000	371,684	451,579	521,053
<u>COLORADO</u>				
ARCHULETA COUNTY, CO	263,487	296,768	360,561	436,800
BOULDER, CO (MSA)	381,999	471,645	573,026	661,184
COLORADO SPRINGS, CO (MSA)	272,103	306,472	372,350	436,800
DENVER-AURORA, CO (MSA)	344,222	440,609	532,532	631,579

LA PLATA COUNTY, CO	303,750	342,118	415,658	479,605
EAGLE COUNTY, CO	344,222	440,609	532,532	661,829
LAKE COUNTY, CO	344,222	440,609	532,532	661,829
FORT COLLINS-LOVELAND, CO (MSA)	280,000	315,368	383,158	442,105
GARFIELD COUNTY, CO	292,293	329,214	399,980	461,517
GRAND COUNTY, CO	293,750	330,855	401,974	463,816
GREELEY, CO (MSA)	286,875	323,112	392,566	452,961
GUNNISON COUNTY, CO	259,938	292,772	355,704	436,800
OURAY COUNTY, CO	262,500	295,658	359,211	436,800
PITKIN COUNTY, CO	381,999	488,975	591,028	734,521
ROUTT COUNTY, CO	270,000	304,105	369,474	436,800
SAN MIGUEL COUNTY, CO	344,222	401,250	487,500	562,500
SUMMIT COUNTY, CO	380,000	428,000	520,000	600,000
<u>CONNECTICUT</u>				
BRIDGEPORT-STAMFORD-NORWALK, CT (MSA)	411,704	527,037	637,046	791,700
HARTFORD-WEST HARTFORD-EAST HARTFORD, CT (MSA)	335,000	377,316	458,421	528,947
NEW HAVEN-MILFORD, CT (MSA)	381,999	435,039	528,553	609,868
NORWICH-NEW LONDON, CT (MSA)	293,750	330,855	401,974	463,816
LITCHFIELD COUNTY, CT	255,000	290,779	351,474	436,800
<u>DISTRICT OF COLUMBIA</u>				
WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV (MSA)	411,704	516,697	627,763	724,342
<u>DELAWARE</u>				
DOVER, DE (MSA)	246,875	290,779	351,474	436,800
PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD (MSA)	312,500	351,974	427,632	493,421
<u>FLORIDA</u>				
CAPE CORAL-FORT MYERS, FL (MSA)	248,750	290,779	351,474	436,800
JACKSONVILLE, FL (MSA)	275,000	309,737	376,316	436,800
MONROE COUNTY, FL	381,999	488,975	591,028	734,521
MIAMI-FORT LAUDERDALE-MIAMI BEACH, FL (MSA)	368,421	414,958	504,154	581,717
NAPLES-MARCO ISLAND, FL (MSA)	393,750	443,487	538,816	621,711
ORLANDO, FL (MSA)	235,000	290,779	351,474	436,800
PORT ST. LUCIE-FORT PIERCE, FL	311,842	351,250	426,776	492,434

(MSA)				
SARASOTA-BRADENTON-VENICE, FL (MSA)	338,026	380,724	462,562	533,725
<u>GEORGIA</u>				
ATHENS-CLARKE COUNTY, GA (MSA)	232,375	290,779	351,474	436,800
ATLANTA-SANDY SPRINGS-MARIETTA, GA (MSA)	299,875	337,754	410,355	473,487
BRUNSWICK, GA (MSA)	232,375	290,779	351,474	436,800
<u>HAWAII</u>				
HAWAII COUNTY, HI	278,750	313,961	381,447	440,132
HONOLULU, HI (MSA)	617,558	695,564	845,079	975,091
MAUI COUNTY, HI	381,250	429,408	521,711	601,974
KALAWAO COUNTY, HI	239,400	306,379	370,326	460,232
KAUAI COUNTY, HI	531,250	598,355	726,974	838,816
<u>IDAHO</u>				
BLAIN COUNTY, ID	336,250	378,724	460,132	530,921
TETON COUNTY, ID	369,407	438,453	532,699	614,653
<u>ILLINOIS</u>				
CHICAGO-NAPERVILLE-JOLIET, IL-IN-WI (MSA)	362,105	407,845	495,512	571,745
ST. LOUIS, MO-IL (MSA)	281,250	316,776	384,868	444,079
<u>INDIANA</u>				
CINCINNATI-MIDDLETOWN, OH-KY-IN (MSA)	235,646	290,779	351,474	436,800
CHICAGO-NAPERVILLE-JOLIET, IL-IN-WI (MSA)	362,105	407,845	495,512	571,745
INDIANAPOLIS, IN (MSA)	231,250	290,779	351,474	436,800
LOUISVILLE, KY-IN (MSA)	237,375	290,779	351,474	436,800
SCOTT COUNTY, IN	237,375	290,779	351,474	436,800
<u>KANSAS</u>				
KANSAS CITY, MO-KS (MSA)	265,313	298,826	363,059	436,800
<u>KENTUCKY</u>				
CINCINNATI-MIDDLETOWN, OH-KY-IN (MSA)	235,646	290,779	351,474	436,800

LOUISVILLE, KY-IN (MSA)	237,375	290,779	351,474	436,800
<u>MARYLAND</u>				
BALTIMORE-TOWSON, MD (MSA)	344,222	389,557	473,292	546,107
HAGERSTOWN-MARTINSBURG, MD-WV (MSA)	355,000	399,842	485,789	560,526
WASHINGTON COUNTY, MD	268,750	302,697	367,763	436,800
WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV (MSA)	411,704	516,697	627,763	724,342
PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD (MSA)	312,500	351,974	427,632	493,421
<u>MAINE</u>				
PORTLAND-SOUTH PORTLAND-BIDDEFORD, ME (MSA)	327,500	368,868	448,158	517,105
<u>MASSACHUSETTS</u>				
BARNSTABLE TOWN, MA (MSA)	411,704	527,037	637,046	761,842
BOSTON-CAMBRIDGE-QUINCY, MA-NH (MSA)	411,704	527,037	637,046	787,396
DUKES COUNTY, MA	344,222	440,609	532,532	661,829
NANTUCKET COUNTY, MA	344,222	440,609	532,532	661,829
PITTSFIELD, MA (MSA)	237,500	290,779	351,474	436,800
PROVIDENCE-NEW BEDFORD-FALL RIVER, RI-MA (MSA)	369,407	472,891	571,567	710,309
SPRINGFIELD, MA (MSA)	237,500	290,779	351,474	436,800
WORCESTER, MA (MSA)	381,999	488,975	591,028	734,521
<u>MICHIGAN</u>				
LENAWEE COUNTY, MI	297,500	335,079	407,105	469,737
ANN ARBOR, MI (MSA)	297,500	335,079	407,105	469,737
DETROIT-WARREN-LIVONIA, MI (MSA)	297,500	335,079	407,105	469,737
HOLLAND-GRAND HAVEN, MI (MSA)	236,250	290,779	351,474	436,800
LANSING-EAST LANSING, MI (MSA)	250,000	290,779	351,474	436,800
MONROE, MI (MSA)	297,500	335,079	407,105	469,737
<u>MINNESOTA</u>				
MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI (MSA)	306,250	344,934	419,079	483,553
ROCHESTER, MN (MSA)	238,125	290,779	351,474	436,800

<u>MISSOURI</u>				
KANSAS CITY, MO-KS (MSA)	265,313	298,826	363,059	436,800
ST. LOUIS, MO-IL (MSA)	281,250	316,776	384,868	444,079
<u>MONTANA</u>				
MISSOULA, MT (MSA)	243,750	290,779	351,474	436,800
<u>NEW HAMPSHIRE</u>				
MANCHESTER-NASHUA, NH (MSA)	381,999	488,975	591,028	734,521
BOSTON-CAMBRIDGE-QUINCY, MA-NH (MSA)	411,704	527,037	637,046	787,396
<u>NEW JERSEY</u>				
ALLENTOWN-BETHLEHEM-EASTON, PA-NJ (MSA)	369,407	459,255	557,974	643,816
ATLANTIC CITY, NJ (MSA)	306,250	344,934	419,079	483,553
PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD (MSA)	312,500	351,974	427,632	493,421
NEW YORK-NEWARK-EDISON, NY-NJ-PA (MSA)	411,704	527,037	637,046	791,700
OCEAN CITY, NJ (MSA)	411,704	483,574	587,520	677,908
TRENTON-EWING, NJ (MSA)	381,250	429,408	521,711	601,974
<u>NEW MEXICO</u>				
LOS ALAMOS COUNTY, NM	318,750	359,013	436,184	503,289
SANTA FE, NM (MSA)	381,999	449,471	546,086	630,099
<u>NEVADA</u>				
CARSON CITY, NV (MSA)	333,750	375,908	456,711	526,974
DOUGLAS COUNTY, NV	381,999	446,250	542,237	625,658
LAS VEGAS-PARADISE, NV (MSA)	353,947	398,655	484,349	558,863
LYON COUNTY, NV	237,368	290,779	351,474	436,800
NYE COUNTY, NV	321,842	362,500	440,461	508,224
RENO-SPARKS, NV (MSA)	373,947	421,182	511,717	590,442
<u>NEW YORK</u>				
BUFFALO-NIAGARA FALLS, NY (MSA)	237,500	290,779	351,474	436,800
KINGSTON, NY (MSA)	293,750	330,855	401,974	463,816
NEW YORK-NEWARK-EDISON, NY-NJ-PA (MSA)	411,704	527,037	637,046	791,700
POUGHKEEPSIE-NEWBURGH-	356,250	401,250	487,500	562,500

MIDDLETOWN, NY (MSA)				
ROCHESTER, NY (MSA)	243,750	290,779	351,474	436,800
<u>NORTH CAROLINA</u>				
CHARLOTTE-GASTONIA-CONCORD, NC-SC (MSA)	233,125	290,779	351,474	436,800
DURHAM, NC (MSA)	230,000	290,779	351,474	436,800
JACKSONVILLE, NC (MSA)	306,250	344,934	419,079	483,553
RALEIGH-CARY, NC (MSA)	231,053	290,779	351,474	436,800
VIRGINIA BEACH-NORFOLK-NEWPORT NEWS, VA-NC (MSA)	375,122	422,507	513,325	592,299
<u>OHIO</u>				
AKRON, OH (MSA)	250,054	290,779	351,474	436,800
ASHTABULA COUNTY, OH	290,797	327,530	397,933	459,154
CINCINNATI-MIDDLETOWN, OH-KY-IN (MSA)	235,646	290,779	351,474	436,800
CLEVELAND-ELYRIA-MENTOR, OH (MSA)	290,797	327,530	397,933	459,154
COLUMBUS, OH (MSA)	274,738	309,441	375,957	436,800
DAYTON, OH (MSA)	239,072	290,779	351,474	436,800
<u>OREGON</u>				
BEND, OR (MSA)	285,875	321,986	391,197	451,382
CORVALLIS, OR (MSA)	292,375	329,307	400,092	461,645
EUGENE-SPRINGFIELD, OR (MSA)	227,500	290,779	351,474	436,800
JOSEPHINE COUNTY, OR	268,750	302,697	367,763	436,800
MEDFORD, OR (MSA)	312,500	351,974	427,632	493,421
PORTLAND-VANCOUVER- BEAVERTON, OR-WA (MSA)	281,250	316,776	384,868	444,079
<u>PENNSYLVANIA</u>				
ALLENTOWN-BETHLEHEM-EASTON, PA-NJ (MSA)	369,407	459,255	557,974	643,816
NEW YORK-NEWARK-EDISON, NY-NJ- PA (MSA)	411,704	527,037	637,046	791,700
PHILADELPHIA-CAMDEN- WILMINGTON, PA-NJ-DE-MD (MSA)	312,500	351,974	427,632	493,421
PITTSBURGH, PA (MSA)	240,000	290,779	351,474	436,800
YORK-HANOVER, PA (MSA)	240,000	290,779	351,474	436,800

<u>RHODE ISLAND</u>				
PROVIDENCE-NEW BEDFORD-FALL RIVER, RI-MA (MSA)	369,407	472,891	571,567	710,309
<u>SOUTH CAROLINA</u>				
CHARLESTON-NORTH CHARLESTON, SC (MSA)	287,875	324,238	393,934	454,539
CHARLOTTE-GASTONIA-CONCORD, NC-SC (MSA)	233,125	290,779	351,474	436,800
GEORGETOWN COUNTY, SC	228,750	290,779	351,474	436,800
BEAUFORT COUNTY, SC	262,500	295,658	359,211	436,800
<u>TENNESSEE</u>				
NASHVILLE-DAVIDSON-MURFREESBORO, TN (MSA)	297,500	335,079	407,105	469,737
<u>TEXAS</u>				
AUSTIN-ROUND ROCK, TX (MSA)	233,750	290,779	351,474	436,800
<u>UTAH</u>				
WASATCH COUNTY, UT	231,250	290,779	351,474	436,800
KANE COUNTY, UT	268,750	302,697	367,763	436,800
PROVO-OREM, UT (MSA)	231,250	290,779	351,474	436,800
SALT LAKE CITY, UT (MSA)	306,250	344,934	419,079	483,553
ST. GEORGE, UT (MSA)	237,375	290,779	351,474	436,800
<u>VERMONT</u>				
BURLINGTON-SOUTH BURLINGTON, VT (MSA)	281,125	316,636	384,697	443,882
<u>VIRGINIA</u>				
CHARLOTTESVILLE, VA (MSA)	278,625	313,820	381,276	439,934
HARRISONBURG, VA (MSA)	232,500	290,779	351,474	436,800
CULPEPER COUNTY, VA	381,999	448,442	544,837	628,658
KING GEORGE COUNTY, VA	381,999	448,442	544,837	628,658
RICHMOND, VA (MSA)	281,250	316,776	384,868	444,079
VIRGINIA BEACH-NORFOLK-NEWPORT NEWS, VA-NC (MSA)	375,122	422,507	513,325	592,299
WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV (MSA)	411,704	516,697	627,763	724,342

WINCHESTER, VA-WV (MSA)	312,500	351,974	427,632	493,421
<u>WASHINGTON</u>				
BELLINGHAM, WA (MSA)	265,938	299,530	363,914	436,800
BREMERTON-SILVERDALE, WA (MSA)	278,750	313,961	381,447	440,132
MOUNT VERNON-ANACORTES, WA (MSA)	256,250	290,779	351,474	436,800
JEFFERSON COUNTY, WA	236,250	290,779	351,474	436,800
SAN JUAN COUNTY, WA	381,999	479,934	583,092	672,829
ISLAND COUNTY, WA	366,842	413,179	502,039	579,276
OLYMPIA, WA (MSA)	243,625	290,779	351,474	436,800
PORTLAND-VANCOUVER-BEAVERTON, OR-WA (MSA)	281,250	316,776	384,868	444,079
SEATTLE-TACOMA-BELLEVUE, WA (MSA)	379,868	427,851	519,820	599,792
<u>WISCONSIN</u>				
CHICAGO-NAPERVILLE-JOLIET, IL-IN-WI (MSA)	362,105	407,845	495,512	571,745
MADISON, WI (MSA)	267,368	301,141	365,872	436,800
MILWAUKEE-WAUKESHA-WEST ALLIS, WI (MSA)	256,316	290,779	351,474	436,800
MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI (MSA)	306,250	344,934	419,079	483,553
RACINE, WI (MSA)	242,500	290,779	351,474	436,800
<u>WEST VIRGINIA</u>				
HAGERSTOWN-MARTINSBURG, MD-WV (MSA)	355,000	399,842	485,789	560,526
MORGANTOWN, WV (MSA)	228,125	290,779	351,474	436,800
WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV (MSA)	411,704	516,697	627,763	724,342
WINCHESTER, VA-WV (MSA)	312,500	351,974	427,632	493,421
<u>WYOMING</u>				
TETON COUNTY, WY	369,407	438,453	532,699	614,653
<u>GUAM</u>	237,500	290,779	351,474	436,800
<u>PUERTO RICO</u>				
FAJARDO, PR (MSA)	325,000	366,053	444,737	513,158

SAN JUAN-CAGUAS-GUAYNABO, PR (MSA)	325,000	366,053	444,737	513,158
<u>VIRGIN ISLANDS</u>				
ST. CROIX	287,500	323,816	393,421	453,947
ST. JOHN	246,447	290,779	351,474	436,800
ST. THOMAS	318,750	359,013	436,184	503,289
<u>ALL OTHER AREAS</u>	\$227,147	\$290,779	\$351,474	\$436,800

.02 The nationwide average purchase price (for use in the housing cost/income ratio for new and existing residences) is \$238,200.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2004-18 is obsolete except as provided in section 6 of this revenue procedure.

SECTION 6. EFFECTIVE DATES

.01 Issuers may rely on this revenue procedure to determine average area purchase price safe harbors for commitments to provide financing or issue mortgage credit certificates that are made, or (if the purchase precedes the commitment) for residences that are purchased, in the period that begins on February 10, 2005, and ends on the date as of which the safe harbors contained in section 4.01 of this revenue procedure are rendered obsolete by a new revenue procedure.

.02 Notwithstanding section 5 of this revenue procedure, issuers may continue to rely on the average area purchase price safe harbors contained in Rev. Proc. 2004-18, with respect to bonds sold, or for mortgage credit certificates issued with respect to bond authority exchanged, before March 12, 2005, if the commitments to provide

financing or issue mortgage credit certificates are made on or before April 11, 2005.

.03 Except as provided in section 6.04, issuers must use the nationwide average purchase price limitation contained in this revenue procedure for commitments to provide financing or issue mortgage credit certificates that are made, or (if the purchase precedes the commitment) for residences that are purchased, in the period that begins on February 10, 2005, and ends on the date when the nationwide average purchase price limitation is rendered obsolete by a new revenue procedure.

.04 Notwithstanding sections 5 and 6.03 of this revenue procedure, issuers may continue to rely on the nationwide average purchase price set forth in Rev. Proc. 2004-18 with respect to bonds sold, or for mortgage credit certificates issued with respect to bond authority exchanged, before March 12, 2005, if the commitments to provide financing or issue mortgage credit certificates are made on or before April 11, 2005.

SECTION 7. PAPERWORK REDUCTION ACT

The collection of information contained in this revenue procedure has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1877

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

This revenue procedure contains a collection of information requirement in section 3.03. The purpose of the collection of information is to verify the applicable FHA loan limit that issuers of qualified mortgage bonds and qualified mortgage certificates

have used to calculate the average area purchase price for a given metropolitan statistical area for purposes of section 143(e) and 25(c). The collection of information is required to obtain the benefit of using revisions to FHA loan limits to determine average area purchase prices. The likely respondents are state and local governments.

The estimated total annual reporting and/or recordkeeping burden is: 15 hours.

The estimated annual burden per respondent and/or recordkeeper: 15 minutes.

The estimated number of respondents and/or recordkeepers: 60.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law.

Generally tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

SECTION 8. DRAFTING INFORMATION

The principal authors of this revenue procedure are David E. White and Timothy L. Jones of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt & Government Entities). For further information regarding this revenue procedure contact David E. White on (202) 622-3980 (not a toll free call).