

# CORRESPONDENT LENDING Announcement

## 25-018: 2026 CONVENTIONAL LOAN LIMITS

Date: 12/4/2025

Programs: Merchants Premium Program | Agency

Effective immediately, Merchants Bank is accepting the new 2026 Agency conventional conforming loan amounts in accordance with recently issued guidance from the FHFA. The updated loan limits will be effective for all new locks taken on or after Thursday, December 4, 2025.

See below for new 2026 loan amounts:

[FHFA Announces Conforming Loan Limit Values for 2026 | FHFA](#)

- Increased loan limits are effective for FNMA, FHLMC and Merchants Premium Program products only. (Loan limits changes for government products will be announced as a later date.)
- DU and LPA will return an ineligible result for loan amounts above the 2025 conforming limits. Merchants will accept loans with AUS result of Approve/Ineligible (DU) and Accept/Ineligible (LPA) due only to the loan amount in excess of the 2025 loan limits. FNMA will be updated on or after the weekend of December 6, 2025, and FHLMC will be updated on or after December 7, 2025.
- A full appraisal will be required for loans with Approve/Ineligible and Accept/Ineligible AUS findings. DU's Value Acceptance and Value Acceptance + PDC and LPA's ACE and ACE + PDR are not allowed on loans with ineligible AUS findings.
- Existing loans in the locked pipeline are eligible for updates to the loan amount up to the new loan limits. Please contact the lock desk with any changes to existing loans, as this will require manual adjustments to the lock record and pricing.
- Sellers may be responsible for re-running the AUS within one week of the official update of 2026 loan limits.

### For Questions

If you have any questions regarding any information in this announcement, please contact your Merchants Account Executive or Client Manager.

**ADDRESS** 410 Monon Blvd., Carmel, IN 46032 | **WEB** [www.bankmerchants.com](http://www.bankmerchants.com)

*This document is intended for use by mortgage professionals only and should not be disclosed to or used by consumers or other third parties. This publication contains confidential and proprietary information of Merchants Bank of Indiana. Correspondent should consult with its own legal or compliance counsel to ensure that all Loans sold to Merchants are fully compliant. Correspondent should not rely on Merchants to advise Correspondent of developments in Investor and Insurer requirements and guidelines or Applicable Law.*