

FHA MIP

For updates to Annual MIP effective January 27, 2017, and duration from June 3, 2013

HUD has released Mortgagee Letter 2017-01 indicating intention to reduce the annual MIP on all FHA Title II forward mortgages. New annual MIP rates are based specifically on the transaction loan-to-value (LTV), and will no longer use “base loan amount” as a factor. Unlike previous changes centered on FHA Case Number Assignment date, these rates have an effective date established on the Closing or Disbursement Date. Rates are applicable based on the later of the signing of the Mortgage/Deed of Trust, or the disbursement of the loan proceeds as entered in FHA Connection, with a trigger date of January 27, 2017.

All MIPs in this table are effective for CLOSING or DISBURSEMENT (later of the two) on or after January 27, 2017.

Term <i>GREATER</i> than 15 Years (20 year, 30 year)		
Base Loan Amt.	LTV	MIP
All Loan Amounts	95.00% or below	55 bps
All Loan Amounts	Above 95.00%	60 bps
All Loan Amounts	95.00% or below	55 bps
All Loan Amounts	Above 95.00%	60 bps
Term 15 Years or Less		
All Loan Amounts	90.00% or below	25 bps
All Loan Amounts	Above 90.00%	50 bps
All Loan Amounts	78.00% or below	25 bps
All Loan Amounts	78%- 90.00%	25 bps

Streamline refinance transactions of existing FHA loans that were endorsed on or before May 31, 2009: UFMIP =1 bps (.01%),

Annual:

Term <i>GREATER</i> than 15 Years (20 year, 30 year)		
All Loan Amounts	All LTV	55 bps
Term 15 Years or Less		
All Loan Amounts	All LTV	25 bps

The table below shows the duration of annual MIP by amortization term and LTV ratio at origination for case numbers assigned on or after June 3, 2013.

Term	LTV (%)	MIP Term
15 yrs. or less	78% or below	11 years
15 yrs. or less	78.01% -90%	11 years
15 yrs. or less	Above 90%	Loan term
Above 15 yrs.	78% or below	11 years
Above 15 yrs.	78.01% -90%	11 years
Above 15 yrs.	Above 90%	Loan term

Upfront MIP is maintained at 1.75% for case numbers assigned on or after April 9, 2012

A few exceptions to these changes are addressed below:

Exceptions to MIP Duration Changes

The changes to the duration of the annual MIP as specified in this ML are effective for all Single Family FHA programs for which FHA charges an annual MIP except:

- Title I
- Home Equity Conversion Mortgages (HECM)

Exceptions to MIP Increases.

The changes in the annual MIP specified in this ML apply to all mortgages insured under FHA's Single Family Mortgage Insurance Programs except:

- Section 247 (Hawaiian Homelands)

***All information and chart breakdowns can be sourced by HUD Mortgagee Letter 2013-04, 2017-1**

<https://portal.hud.gov/hudportal/documents/huddoc?id=17-01ml.pdf>

<http://portal.hud.gov/hudportal/documents/huddoc?id=13-04ml.pdf>