



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

January 20, 2017

Mortgagee Letter 2017-07

To All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All FHA Roster Appraisers
All FHA Roster Inspectors
All FHA-Approved 203(k) Consultants
All HUD-Approved Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Suspension of Mortgagee Letter 2017-01 -Reduction of Federal Housing Administration (FHA) Annual Mortgage Insurance Premium (MIP) Rates

Purpose This Mortgagee Letter (ML) communicates that Mortgagee Letter 2017-01, reducing Mortgage Insurance Premiums for loans with Closing/Disbursement date on or after January 27, 2017, has been suspended indefinitely. FHA will issue a subsequent Mortgagee Letter at a later date should this policy change.

Effective Date This ML is effective immediately.

Affected Programs This guidance applies to all FHA Title II forward mortgage programs except for mortgages insured under National Housing Act section 247 (Hawaiian Homelands.)

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Affected Topics This guidance affects Appendix 1.0 – Mortgage Insurance Premiums of the FHA Single Family Housing Policy Handbook 4000.1, and reinstates the Appendix in affect prior to the issuance of the update communicated in ML 2017-01.

Background FHA is committed to ensuring its mortgage insurance programs remains viable and effective in the long term for all parties involved, especially our taxpayers. As such, more analysis and research are deemed necessary to assess future adjustments while also considering potential market conditions in an ever-changing global economy that could impact our efforts.

Mortgage Insurance Premiums, Appendix 1.0

The mortgage insurance premium rates as shown in Appendix 1.0 attached to this ML are reincorporated into the FHA Single Family Housing Policy Handbook 4000.1.

Information Collection The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2502-0059 and OMB Control number 2502-0538. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Questions Please address any questions about the topics addressed in this Mortgagee Letter to the FHA Resource Center at (800) 225-5342. Persons with hearing or speech impairments may reach this number via TTY by calling the Federal Relay Service at (800) 877-8339. For additional information on this Mortgagee Letter, please visit www.hud.gov/answers.

Signature

Genger Charles
General Deputy Assistant Secretary for Housing

Attachment

APPENDIX 1.0 – MORTGAGE INSURANCE PREMIUMS

Upfront Mortgage Insurance Premium (UFMIP)
All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.
Exceptions: <ul style="list-style-type: none"> • Streamline Refinance and Simple Refinance Mortgages used to refinance a previous FHA-endorsed Mortgage on or before May 31, 2009 • Hawaiian Home Lands (Section 247) • Indian Lands (Section 248)
Indian Lands (Section 248) do not require a UFMIP.

Annual Mortgage Insurance Premium (MIP)			
Applies to all Mortgages except:			
<ul style="list-style-type: none"> • Streamline Refinance and Simple Refinance Mortgages used to refinance a previous FHA endorsed Mortgage on or before May 31, 2009 • Hawaiian Home Lands (Section 247) 			
Hawaiian Home Lands (Section 247) do not require Annual MIP.			
Mortgage Term of More Than 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	80	11 years
	> 90.00% but ≤ 95.00%	80	Mortgage term
	> 95.00%	85	Mortgage term
Greater than \$625,500	≤ 90.00%	100	11 years
	> 90.00% but ≤ 95.00%	100	Mortgage term
	> 95.00%	105	Mortgage term
Mortgage Term of Less than or Equal to 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	45	11 years
	> 90.00%	70	Mortgage term
Greater than \$625,500	≤ 78.00%	45	11 years
	> 78.00% but ≤ 90.00%	70	11 years
	> 90.00%	95	Mortgage term

Streamline Refinance, Simple Refinance:

For refinance of previous Mortgage endorsed on or before May 31, 2009			
UFMIP: 1 (bps) (.01%) All Mortgages			
All Mortgage Terms			
Base Loan Amount	LTV	Annual MIP (bps)	Duration
All	≤ 90.00%	55	11 years
	> 90.00%	55	Mortgage term
For Mortgages where FHA does not require an appraisal, the value from the previous Mortgage is used to calculate the LTV.			

Hawaiian Home Lands Section 247

Hawaiian Home Lands Upfront MIP (UFMIP)				
	Loan Term in Years			
	≤ 18	> 18 and ≤ 22	> 22 and ≤ 25	> 25
MIP Financed	2.400%	3.000%	3.600%	3.800%
MIP not Financed	2.344%	2.913%	3.475%	3.661%
Annual MIP is not assessed on Section 247 Mortgages.				