



WHOLESALE BULLETIN

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17W-004

Attention: Business Development Managers & Mortgage Brokers

January 9, 2017

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: FHA Reduction of Annual MIP (ML 2017-01)

Breaking News !!!!

FHA has announced it will cut mortgage insurance premiums, a move that can ease the burden of rising interest rates.

The reduction is effective for endorsement of mortgages with a:
Closing/Disbursement date on or after **January 27, 2017**.

Closing/Disbursement date refers to the later of the date of the signing of the Mortgage, or the date of disbursement of the loans proceeds, as is entered in FHA Connection.

Reduction applies to all FHA Title II forward mortgage programs except for mortgages insured under National Housing Action section 247 (Hawaiian Homelands.)

The monthly MI is now based solely on the LTV rather than based upon the base loan amount.

Please note: additional information to come regarding LQB updates and any other FHA Connection system changes impacted by the new Annual MIP.

Author: Underwriting

MORTGAGE INSURANCE PREMIUMS

Upfront Mortgage Insurance Premium (UFMIP)

All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.

Exceptions:

- 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:

- 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
All amounts	≤ 90.00%	55	11 years
	> 90.00% but ≤ 95.00%	55	Mortgage term
	> 95.00%	60	Mortgage term

Mortgage Term of Less than or Equal to 15 Years

Base Loan Amount	LTV	MIP (bps)	Duration
All amounts	≤ 90.00%	25	11 years
	> 90.00%	50	Mortgage term

Streamline Refinance, Simple Refinance:

For refinance of previous Mortgage endorsed on or before May 31, 2009

UFMIP: 1 (bps) (.01%) All Mortgages

Mortgage Term of More than 15 Years

Base Loan Amount	LTV	Annual MIP (bps)	Duration
All amounts	≤ 90.00%	55	11 years
	> 90.00%	55	Mortgage term

Mortgage Term of Less than or Equal to 15 Years

Base Loan Amount	LTV	Annual MIP (bps)	Duration
All amounts	≤ 90.00%	25	11 years
	> 90.00%	25	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.