



## IMPORTANT UPDATE

### BULLETIN 24-03062023

**Issued to:** All Channels  
**Date:** March 06, 2023  
**Subject:** FHA and VA Updates  
**Effective:** Immediately

#### **FHA Reduction of Annual Mortgage Insurance Premium Rate**

The Federal Housing Administration (FHA) published [Mortgagee Letter 2023-05](#) reducing the Annual Mortgage Insurance Premiums (MIP) for Single Family Mortgages.

This reduction will make homeownership more accessible and affordable for homebuyers.

The new Mortgage Insurance Premium Rates, listed below, will be **effective for all cases endorsed on or after March 20, 2023, but can be utilized immediately.**

The following changes can be found in the HUD Handbook 4000.1:

#### **Appendix 1.0 – Mortgage Insurance Premiums (03/20/2023)**

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

<b>Annual Mortgage Insurance Premium (MIP)</b>			
Applies to all Mortgages except:			
<ul style="list-style-type: none"> <li>Streamline Refinance and Simple Refinance Mortgages used to refinance a previous FHA endorsed Mortgage on or before May 31, 2009</li> <li>Hawaiian Home Lands (Section 247)</li> </ul>			
Hawaiian Home Lands (Section 247) do not require Annual MIP.			
<b>Mortgage Term of More Than 15 Years</b>			
<b>Base Loan Amount</b>	<b>LTV</b>	<b>MIP (bps)</b>	<b>Duration</b>
Less than or equal to <b>\$726,200</b>	≤ 90.00%	50	11 years
	> 90.00% but ≤ 95.00%	50	Mortgage term
	> 95.00%	55	Mortgage term
Greater than <b>\$726,200</b>	≤ 90.00%	70	11 years
	> 90.00% but ≤ 95.00%	70	Mortgage term
	> 95.00%	75	Mortgage term
<b>Mortgage Term of Less than or Equal to 15 Years</b>			
<b>Base Loan Amount</b>	<b>LTV</b>	<b>MIP (bps)</b>	<b>Duration</b>
Less than or equal to <b>\$726,200</b>	≤ 90.00%	15	11 years
	> 90.00%	40	Mortgage term
Greater than <b>\$726,200</b>	≤ 78.00%	15	11 years
	> 78.00% but ≤ 90.00%	40	11 years
	> 90.00%	65	Mortgage term

### **Streamline Refinance, Simple Refinance:**

<b>For refinance of previous Mortgage endorsed on or before May 31, 2009</b>			
UFMIP: 1 (bps) (.01%) All Mortgages			
<b>All Mortgage Terms</b>			
<b>Base Loan Amount</b>	<b>LTV</b>	<b>Annual MIP (bps)</b>	<b>Duration</b>
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.			

### **VA Funding Fee Charge Update**

The Department of Veteran Affairs (VA) has published [Circular 26-23-06](#) announcing a change to funding fee rates for loans **closed** on or after April 7, 2023

For loans closed on or after April 7, 2023, non-exempt veterans will be charged the new funding fee percentage from the tables below.

Purchase loans are subject to a reduced funding fee when there is at least 5% down payment. For purposes of calculating the funding fee, the percentage down is calculated as a percentage of the total purchase price or construction cost of the dwelling.

**Loan Fee Rates for Loans Closing On or After April 7, 2023 and prior to November 14, 2031**

**VA Purchase or Construction Loans**

	<b>Down Payment Amount</b>	<b>Funding Fee Percentage</b>
<b>First Use</b>	Less than 5%	2.15%
	5% or more	1.5%
	10% or more	1.25%
<b>Subsequent Use</b>	Less than 5%	3.3%
	5% or more	1.5%
	10% or more	1.25%

**VA Cash-Out Refinance**

	<b>Funding Fee Percentage</b>
<b>First Use</b>	2.15%
<b>Subsequent Use</b>	3.3%

**Other VA Home Loan Types**

<b>Loan Type</b>	<b>Funding Fee Percentage</b>
Interest Rate Reduction Refinance Loan (IRRRLs)	0.5%
Manufactured Home Loans (not permanently affixed)	1%
Loan Assumptions	0.5%
Native American Direct Loan (Non-IRRRL)	1.25%

Please reach out to your Account Executive with any questions.

We appreciate your business!