



# WHOLESALE ANNOUNCEMENT 2023-11

March 1, 2023

## FHA Annual MIP Rate Decrease

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### **Effective Date**

FHA loans endorsed on or after March 20, 2023

### **Summary:**

On February 22, 2023, HUD announced the reduction of Federal Housing Administration (FHA) annual Mortgage Insurance Premium (MIP) rates for FHA loans endorsed on or after March 20, 2023. Most loans will see a 30-bps reduction in annual MIP.

Additionally, FHA also amended the base loan amount threshold for establishing annual MIP rates to align with national conforming limits. The threshold is now \$726,200, which means loan amounts greater than \$625,500 but less than or equal to \$726,200 will see up to 55bps reduction in annual MIP, depending on the loan term.

FCM will be aligning with FHA changes as follows:

- FCM will allow all loans currently in the pipeline, which have not already closed, to benefit from the annual MIP reduction
  - FHA applications currently in the pipeline will be updated by your assigned FCM Client Manager

*This change only applies to Annual MIP, upfront MIP (UFMIP) has not changed.*

**For detailed information on this change, please review [Mortgagee Letter \(ML\) 2023-05](#)**

**Should you have any questions, please reach out to your Account Executive or Client Manager**