

Reduction of MIP Rates Suspended



U.S. Department of Housing and Urban Development released [Mortgage Letter 2017-07](#) on January 20, 2017 announcing the following:

The [Mortgage Letter 21017-01](#), reducing Mortgage Insurance Premiums (MIP) for loans with closing/disbursement date on or after January 27, 2017, has been suspended indefinitely.

This change is effective **immediately**.

Attention GMFS Wholesale & Correspondent Clients a message from GMFS Wholesale/Correspondent Operations:

Due to the recent reversal of FHA Mortgage Letter 2017-01 regarding the lower FHA MIP, GMFS clients will need to redisclose any Loan Estimates that disclosed the lower MIP with a change of circumstance. GMFS will redisclose any CDs that have already been issued with the lower FHA MIP.

If your file is in a CD status with the lower FHA MIP, you will need to be sure to extend your lock an additional 3 days due to the reversal causing an 1/8 tolerance issue and an additional 3 day wait before the closing can take place.

If any questions, please contact your CRR or District Director.

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			
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.			

Thank you for your business!
GMFS Announcement Team
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