



January 16, 2017 | The AFR 411 2017-01

American Financial Resources, Inc.



## Attention: AFR Lending Partners

### Topics in this edition of The AFR 411 include:

- **FHA Annual MIP Reduction**

On January 9<sup>th</sup>, 2017, HUD issued [Mortgagee Letter 2017-01](#) communicating revised annual MIP rates for certain FHA Title II forward mortgages.

Effective immediately, AFR will begin accepting originations (Retail) / submissions (Wholesale) with the reduced annual MIP rates reflected in the tables outlined in ML 2017-01 disclosed on the initial Loan Estimate. AFR will not purchase any Correspondent loans that have funded prior to January 27, 2017 with the reduced annual MIP.

Note: Loans may be disclosed/redisclosed at the lower MIP rate if the loan is expected to fund after January 27, 2017.

### Revised annual MIP Rates

The following tables show the existing and the new annual MIP rates. With this revision to the annual MIP rates for FHA Title II forward mortgages, FHA is eliminating the distinction in rates based upon the base loan amount.

Annual MIP			
Base Loan Amt.	LTV	Previous MIP	New MIP
<b>Term &gt; 15 Years</b>			
≤ \$625,500	≤ 95.00%	80 bps	55bps
≤ \$625,500	> 95.00%	85 bps	60bps
> \$625,500	≤ 95.00%	100 bps	55bps
> \$625,500	> 95.00%	105 bps	60bps
<b>Term ≤ 15 Years</b>			
≤ \$625,500	≤ 90.00%	45 bps	25 bps
≤ \$625,500	> 90.00%	70 bps	50 bps
> \$625,500	≤ 78.00%	45 bps	25 bps
> \$625,500	78.01% - 90.00%	70 bps	25 bps
> \$625,500	> 90.00%	95 bps	50 bps
<b>Streamline, Simple Refinance of previous Mortgage endorsed on or before May 31, 2009</b>			
<b>Term &gt; 15 Years</b>			
Base Loan Amt.	LTV	Previous MIP	New MIP
All Loan Amounts	≤ 90.00%	55 bps	55 bps
All Loan Amounts	> 90.00%	55 bps	55 bps
<b>Term ≤ 15 Years</b>			
Base Loan Amt.	LTV	Previous MIP	New MIP
All Loan Amounts	≤ 90.00%	55 bps	25 bps
All Loan Amounts	> 90.00%	55 bps	25 bps