

# Newrez Announcements



## Announcement 2023-021 FHA Annual Mortgage Insurance Premium Rate Reduction February 27, 2023

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### Overview

Newrez LLC "Newrez" Approved Correspondent Clients; Newrez will align with FHA Mortgagee Letter [2023-05](#), *Reduction of Federal Housing Administration (FHA) Annual Mortgage Insurance Premium (MIP) Rates*, which announced a 30 bps reduction to the annual MIP rates.

This announcement applies to all FHA transactions except for Streamline and Simple Refinance transactions used to refinance a previous FHA-endorsed Mortgage on or before May 31, 2009 are not impacted.

### Effective Date

<b>Delegated Lenders</b>	<ul style="list-style-type: none"><li>• If a loan is closed prior to March 20<sup>th</sup> using the lower MIP, evidence that loan is insured is required. Client must submit evidence that the loan was insured on or after March 20<sup>th</sup>.<ul style="list-style-type: none"><li>○ If a loan is insured prior to March 20<sup>th</sup>, the loan will be ineligible for purchase.</li></ul></li></ul>
<b>Non-Delegated Lenders</b>	<p>Loans can be submitted for underwriting using the lower MIP. Newrez will issue a Clear to Close but will not purchase the loan until March 20<sup>th</sup>.</p> <p>Correspondent Clients in Test Case Phase using the lower MIP must submit for insurance on March 20<sup>th</sup> or later. For those loans submitted to Newrez for Underwriting, Newrez will not purchase the loan until March 20<sup>th</sup>.</p>

These tables show the new annual MIP rates based on loan amount, loan term and LTV. These tables have been moved from the Product Summaries to the FHA Underwriting Guide.

Annual Mortgage Insurance Premium			
Loan Amount ≤ \$726,200			
Loan Term	LTV	Annual MIP	
		New Loan Amount ≤ \$726,200	Current Loan Amount ≤ \$625,000
> 15 Years	> 95%	55 bps	85 bps
	≤ 95%	50 bps	80 bps
≤ 15 Years	> 90%	40 bps	70 bps
	≤ 90%	15 bps	45 bps

Annual Mortgage Insurance Premium			
Loan Amount > \$726,200			
Loan Term	LTV	Annual MIP	
		New Loan Amount > \$726,200	Current Loan Amount > \$625,500
> 15 Years	> 95%	75 bps	105 bps
	≤ 95%	70 bps	100 bps
≤ 15 Years	> 90%	65 bps	95 bps
	> 78% & ≤ 90%	40 bps	70 bps
	≤ 78%	15 bps	45 bps

There is no change to the Annual MIP for Streamline Refinance and Simple Refinance transactions.

Streamline and Simple Refinance		
For the refinance of a previous mortgage endorsed on or before May 31, 2009		
Annual Mortgage Insurance Premium		
Term	All Loan Amounts	
	LTV	MIP
All	≤ 90%	55 bps
	> 90%	55 bps

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## Questions

If you have any questions regarding any information in this announcement, please feel free to contact your regional sales manager or client manager.

[Newrezcorrespondent.com](http://Newrezcorrespondent.com)

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## Client Development

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