

FHA Mortgage Insurance Premium (MIP) Rates

Most new loans will qualify for MIP rates for which are significantly lower than prior standard levels. **These reduced MIP rates directly reduce the debt burden, or increase proceeds, for new FHA-insured mortgages.** Closed loans are unaffected. The prior standard MIP rates apply to projects which do not meet the criteria below.

- **“Green & Energy Efficient Housing” Projects, including Market Rate Projects: 0.25%.** Projects must use a green building standard **and** must ultimately achieve and maintain an Energy Star score of 75 or better using EPA's Portfolio Manager (annual reporting is required after completion of construction/rehab projects). Properties under 20 units are exempt from the Portfolio Manager scoring requirement.

- **“Broadly Affordable Housing” Projects: 0.25%;** defined as either:
 - a) 90% or more Section 8 Project Based contract (15 years or more remaining), or
 - b) 90% or more LIHTC/restricted **and** rents at least 10% below market (15 years or more remaining)

- **“Affordable Housing” Projects which don’t meet the “Green” or “Broad” requirement: 0.35%.** Owners must agree to accept Section 8 vouchers. These projects include:
 - a) Inclusionary Zoning, Density Bonus Set-Asides, and Other Local Affordability Restriction projects with at least 10% of units at 80% AMI or less, for at least 30 years, or
 - b) 10%-90% Section 8 Project Based contract (15 years or more remaining), or
 - c) 10%-100% LIHTC or similarly restricted (15 years or more remaining)

Note: For all categories, Affordable rents must be sized at 30% of resident income.

MIP Chart & Approved Green Standards follow:

HUD Multifamily MIP Rates

Reduced MIP Rates - all programs	
0.25%	Green & Energy Efficient Housing
0.25%	Broadly Affordable Housing
0.35%	Affordable Housing
Standard MIP Rates	
<u>221(d)(4), 220, 231, 241a</u>	
0.65%	221d Market Rate
0.70%	220 or 231 Market Rate
0.95%	241a Market Rate
<u>223(f)</u>	
0.60%	Market Rate (1st Year = 1.00%)
<u>223 (a)(7)</u>	
0.50%	Market Rate (1st Year is the same)

HUD Approved "Green" Standards

- Enterprise Green Communities Criteria;
- U.S. Green Building Council's LEED-H, LEED-H Midrise, LEED-NC, or LEED for Existing Buildings: Operations & Maintenance;
- ENERGY STAR certification;
- EarthCraft House;
- EarthCraft Multifamily;
- Earth Advantage New Homes;
- Greenpoint Rated New Home;
- Greenpoint Rated Existing Home (Whole House or Whole Building label);
- the National Green Building Standard (NGBS);
- Passive Building Certification or EnerPHit Retrofits certification from the Passive House Institute US (PHIUS), International Passive House Association, or the Passive House Institute; and
- Living Building Challenge Certification from the International Living Future Institute,

...or other industry-recognized green building standards, in the sole discretion of HUD's Office of Multifamily Production.