



FHA INFO 2023-11

February 22, 2023

FHA Reduces Annual Mortgage Insurance Premiums by 30 Basis Points to Support Affordable Homeownership

The Federal Housing Administration (FHA) announced today through [Mortgagee Letter 2023-05](#) a 30 basis point reduction to the Annual Mortgage Insurance Premiums (annual MIP) it charges borrowers for FHA-insured Single Family Title II forward mortgages. This reduction supports the Biden-Harris Administration's goals of making homeownership more accessible and affordable for the nation's homebuyers. FHA mortgage insurance facilitates broader availability of mortgage financing to those not adequately served by the conventional mortgage market, particularly households of color for whom FHA-insured mortgages have been a cornerstone of access to affordable homeownership.

Today's Mortgagee Letter provides additional information for mortgagees to implement the annual MIP reductions effective for mortgages endorsed for FHA insurance **on or after March 20, 2023**.

FHA estimates this reduction will benefit approximately 850,000 borrowers over the coming year, saving them \$678 million in aggregate in the first year of their FHA-insured mortgage. For the average borrower purchasing a one-unit single family home with a down payment of 3.5 percent and a mortgage amount of \$467,700 – the national median home price as of December 2022 - FHA's annual MIP reduction will save them more than \$1,400 in the first year of their mortgage.

For more information, read today's [press release](#).

Need Support? Contact the FHA Resource Center.

- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at www.hud.gov/answers.
- E-mail answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

About FHA INFO

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