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Affordable Housing Alert

June 26, 2025

HUD proposes reduced MIPs for FHA multifamily programs

By Alexander B. Rosso

Proposed Mortgage Insurance Premium reductions would streamline costs and requirements for FHA transactions.



What's the impact?

- This guidance is not yet in effect and will undergo a mandatory review period before implementation.
- HUD is soliciting comments on the proposals contained in the notice, and the deadline for public comment is 30 days from the date of publication in the *Federal Register*.

On June 26, 2025, the Federal Housing Administration's (FHA) Office of Multifamily Housing Programs published a [Federal Register notice](#) that reduces Multifamily Mortgage Insurance Premiums (MIPs) to 0.25% across all FHA Multifamily programs.

History of HUD MIP reductions

On March 31, 2016, HUD published a notice reducing MIPs for qualifying loans under three newly established MIP rate categories: Green and Energy Efficient Housing, Affordable Housing, and

Broadly Affordable Housing. On January 20, 2025, President Trump signed a presidential memorandum “Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis,” and an executive order on Unleashing American Energy. The June 26, 2025, notice expands upon the goals in the presidential memorandum and executive order.

Changes to Multifamily Mortgage Insurance Premiums (MIPs)

The notice proposes to:

- / Realign all MIPs to 25 basis points for all Multifamily programs.
- / Concurrently eliminate the Green and Energy Efficient, Affordable Housing, and Broadly Affordable Housing MIP categories established in 2016.
- / Eliminate the requirements to evidence the initial green building achievement and the annual reporting of energy performance for all loans closed under a Green MIP rate.
- / The proposed changes to HUD MIPs by program are shown in the table below.

FHA Multifamily Mortgage Insurance Program	Current Upfront Capitalized MIP (basis points)	Proposed Upfront Capitalized MIP (basis points)	Current Annual MIP (basis points)	Proposed Annual MIP (basis points)
Section of National Housing Act				
2007 Multifamily New Constr/Sub Rehab w/o LIHTC	70	25	70	25
2007 Manufactured Home Parks w/o LIHTC	70	25	70	25
221(d)(4) New Constr/Sub Rehab w/o LIHTC	65	25	65	25
220 Urban Renewal Housing w/o LIHTC	70	25	70	25
2013 Cooperative	70	25	70	25
207/223(f) Refi or Purchase for Apts. w/o LIHTC	100	25	60	25
223(a)(7) Refi of Apts w/o LIHTC	50	25	50	25

231 Elderly Housing w/o LIHTC	70	25	70	24
241(a) Supplemental Loans for Apts. coop w/o LIHTC	95	25	95	25
Section 542(b) Risk-Sharing	25	25	25	25
Section 542(c) Risk-Sharing	25	25	25	25
BROADLY AFFORDABLE HOUSING				
All Sections of National Housing Act	25	Eliminated	25	Eliminated
AFFORDABLE, INCLUSIONARY VOUCHERS				
All Sections of National Housing Act	35	Eliminated	35	Eliminated
GREEN/ENERGY EFFICIENT HOUSING				
All Sections of National Housing Act	25	Eliminated	25	Eliminated

Opportunities for owners and developers

Our [Affordable Housing Team](#) will continue to track the development and implementation of these proposed changes. We are available to advise how our clients can navigate these changes and maximize value on future FHA transactions. For more information on the content of this alert, please contact your Nixon Peabody attorney or:

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