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FHA Introduces Risk-Based MI Premium Pricing

FHA has implemented Risk-Based Premiums (RBP) for Mortgage Insurance effective with new FHA Case Number Assignments beginning today, July 14, 2008. This change was previously communicated to all FHA lenders and correspondents in FHA's [Mortgagee Letter 2008-16](#).

The *upfront* Mortgage Insurance Premium (MIP) is now determined by the Decision Credit Score and the base loan-to-value ratio. The Decision Credit Score is determined for each applicant. It is the middle of three credit scores or the lower of two. If more than one borrower is on an application, the lowest score is used as the final Decision Credit Score to determine the upfront MIP. The new upfront MIP ranges from 1.25 to 2.85.

The *monthly* mortgage insurance premium is now determined by the loan-to-value ratio and the term of the loan. The new monthly MIP ranges from .50 to .55.

Reunion Mortgage's updated [FHA Product Guidelines](#) have been posted on the website, with all changes highlighted in **red type**.

If you have any questions, please contact your Account Executive or local branch.