



FHA Mortgage Insurance Premiums (MIP's)

FHA- backed financing for multifamily projects makes capital more available, less expensive, and without recourse to the borrower. Approved lenders can make these loans on such advantageous terms because FHA insures the loan against default. In exchange, FHA charges an annual fee called the Mortgage Insurance Premium, or MIP. The FHA standard annual MIP generally ranges from .50%-.70% of the outstanding loan balance, but there are ways to reduce the cost of this insurance.



Beacon on 5th, Charlottesville, VA

FHA Multifamily MIP Rates

Reduced MIP Rates - All Programs	Rate
Green & Energy Efficient Housing	0.25%
Broadly Affordable Housing	0.25%
Affordable Housing/Inclusionary Zoning	0.35%

Market Rate MIP Rates (not Green)	Rate
Section 221(d)(4) New/Rehab	0.65%
Section 220 and 231 New/Rehab	0.70%
Section 241(a) New/Rehab	0.95%
Section 223(f) Refinance/Acquisition*	0.60%
Section 223(a)(7) Refinance	0.50%

* Year 1 of the loan term is 1.00%



Victory Terrace Apartments, Potomac, MD

◆ **Green & Energy Efficient Housing** projects pay only 0.25% MIP.

Construction/Rehab projects and the Refinance of newly built communities can qualify for this lower MIP by:

- a) using an FHA-approved green building standard, and
- b) achieving and maintaining an Energy Star score of 75 or better

Annual reporting is required after stabilization. For newly built communities that did not obtain a green certification during development, it is still possible to qualify for the lower MIP, but the list of certifications is more limited.

— see list of FHA-approved Green certifications on page two

◆ **Broadly Affordable Housing** projects also pay only .25% MIP.

Broadly Affordable is defined as either:

- a) 90% or more of the units under a Section 8 Project-Based contract with 15 or more years remaining on the contract, or
- b) 90% or more of the units with rents restricted under the LIHTC program with rents at least 10% below market and 15 or more years remaining on the restrictions.

◆ **Affordable Housing** projects qualify for 0.35% MIP.

These Projects include:

- a) Projects developed with Inclusionary Zoning, Density Bonus Set-Asides, and Other Local Affordability Restrictions where at least 10% of the units are affordable at 80% AMI or less for at least 30 years.
- b) A Section 8 Project-Based contract covering 10%-90% of the units in the project with 15 years or more remaining.
- c) LIHTC projects where 10%-100% of the units have restricted rents with 15 or more years remaining on the restrictions.

Financing Communities with FHA

MARKET RATE & AFFORDABLE



Reserve at Somerset Commons,
Prince Anne, MD



The Bonifant, Silver Spring, MD



Flats 170, Academy Yards, MD

FHA MIP Rates

FHA Approved “Green” Standards

New Construction / Substantial Rehab and Recently Completed Projects with a Green Certification

- Enterprise Green Communities Criteria
- LEED-Home / Midrise / New Construction
- ENERGY STAR® New Construction Single Family (SFD/TH)
- ENERGY STAR® New Construction Multifamily / Hi-Rise
- EarthCraft House / Multifamily
- Earth Advantage New Homes
- Greenpoint Rated New Home
- National Green Building Standard
- Passive Building Certification (Passive House)
- Living Building Challenge (International Living Future Institute)

Refinance of Existing Buildings without a Certification

- Energy Star Existing Building Certification*
- Enterprise Green Communities Criteria
- EarthCraft House / Multifamily
- Greenpoint Rated Existing Home-Whole Building Label
- National Green Building Standard

**allowed for newly constructed buildings in limited circumstances until December 18, 2022*

To see how AGM can help get your deal done, contact Steve Rudow at 443.573.2061 or srudow@agmfinancial.com.



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Tanglewood Lake Apartments,
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