

meeting criteria that included specified energy and water usage reductions. HUD concluded that, overall, the initiative would “result in projects with greater energy and water efficiency, reduced operating costs, improved indoor air quality and resident comfort, and reduced overall impact on the environment.”

HUD is no longer persuaded by this rationale. While the very substantial MIP reduction may entice some borrowers to choose materials and systems that are slightly more energy/water efficient than they otherwise might choose, the substantial MIP revenue savings to the borrower (and revenue sacrificed by HUD) is often

inordinately disproportionate to the borrower’s marginal cost in selecting such options. Further, to the extent, if any, that an energy or water efficient selection may enhance indoor air quality and resident comfort, the residential care facility industry’s highly competitive market forces would be expected to incentivize such choices.

As this Notice is published, some submitted Section 232 applications requesting the reduced Green MIP rate may be in the queue or in processing. Although, in light of this Notice, the Department would not be required to process those applications using the reduced MIP rate, we intend to do so where the application meets program

requirements. Moreover, HUD recognizes that over many months some lenders and prospective borrowers may already have invested resources in Green MIP applications yet to be submitted. To accommodate this circumstance to a reasonable degree while balancing the need to implement this change, we are making this change effective only as to applications received on or after August 25, 2025.

With this elimination of the Green MIP initiative, the rates for all Healthcare programs, remain as published in 2022 and as had earlier been published in by Notice on March 31, 2016. Those rates are set forth below.

#### FHA OFFICE OF HEALTH CARE FACILITIES INSURANCE PREMIUMS BY RATE & CATEGORY

Category	Current upfront capitalized MIP* basis points	Proposed upfront capitalized MIP* basis points	Current annual MIP basis points	Proposed annual MIP basis points
<i>Section 232 Healthcare Facilities (SNF, ALF, B&amp;C):</i>				
232 NC/SR Healthcare Facilities w/o LIHTC .....	77	77	77	77
232 NC/SR—Assisted Living Facilities with LIHTC .....	45	45	45	45
232/223(f) Refi for Healthcare Facilities w/o LIHTC .....	100	100	65	65
232/223(f) Refi for Healthcare Facilities with LIHTC .....	100	100	45	45
232/223(a)(7) Refi of Healthcare Facilities w/o LIHTC .....	50	50	55	55
232/223(a)(7) Refi of Healthcare Facilities with LIHTC .....	50	50	45	45
223(d) Operating Loss Loan for Healthcare Facilities .....	95	95	95	95
241(a) Supp. Loan for Healthcare Facilities w/o LIHTC .....	72	72	72	72
241(a) Supp. Loan for Healthcare Facilities with LIHTC .....	45	45	45	45
223(i) Fire Safety Equipment Loan .....	100	100	100	100
Green and Energy Efficient MIP Initiative (all applicable 232 Programs).	25	Eliminated	25	Eliminated
<i>Section 242 FHA Hospital Insurance Program:</i>				
242 Hospitals .....	70	70	70	70
223(a)(7) Refinance of Existing FHA-Insured Hospital .....	50	50	55	55
223(f) Refinance or Purchase of Existing Non-FHA-Insured Hospital.	100	100	65	65
241(a) Supplemental Loans for Hospitals .....	65	65	65	65

\*MIP premiums are separate and apart from (and in addition to) the application fees.

### III. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of NEPA (42 U.S.C. 4332(2)(C)).

**Frank Cassidy,**

*Principal Deputy Assistant Secretary for Housing.*

[FR Doc. 2025–11808 Filed 6–25–25; 8:45 am]

**BILLING CODE 4210–67–P**

### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**[Docket No. FR–6522–N–01]**

#### Proposed Changes in Mortgage Insurance Premiums Applicable to FHA Multifamily Insurance Programs

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Notice.

**SUMMARY:** On March 31, 2016, HUD published a notice reducing mortgage insurance premiums (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”, which directed agencies to deliver price relief to the American people, as well as an Executive Order on Unleashing American Energy. To meet these goals, this notice proposes to reduce MIPs to 0.25% for all FHA Multifamily Insurance Programs. This notice further proposes to eliminate the MIP categories established in 2016, which are misaligned with the presidential memoranda and would become economically obsolete.

**DATES:** *Comment Due Date:* July 28, 2025.

**ADDRESSES:** Interested persons are invited to submit comments regarding this notice. All submissions must refer to the above docket number and title.

There are two methods for submitting public comments:

1. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <https://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the author maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the <https://www.regulations.gov> website can be viewed by other submitters and interested members of the public. Commenters should follow instructions provided on that site to submit comments electronically.

2. *Submission of Comments by Mail.* Members of the public may submit comments by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410–0500. Due to security measures at all federal agencies, however, submission of comments by standard mail often results in delayed delivery. To ensure timely receipt of comments, HUD recommends that comments submitted by standard mail be submitted at least two weeks in advance of the deadline. HUD will make all comments received by mail available to the public at <https://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:**

Margaret Lawrence, Deputy Director, Office of Multifamily Production, Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410; telephone: 202–402–2921 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit: <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Section 203(c)(1) of the National Housing Act (the Act) authorizes the Secretary to set the premium charge for insurance of mortgages under the various programs in title II of the Act. The range within which the Secretary may set such charges must be between one-fourth of one percent per annum and one percent per annum of the amount of the principal obligation of the mortgage outstanding at any time. (see 12 U.S.C. 1709(c)(1)). HUD’s Multifamily Housing Mortgage Insurance regulation at 24 CFR 207.254 provides that HUD must publish a notice of future premium changes in the **Federal Register** and provide a 30-day public comment period for the purpose of accepting comments on whether the proposed changes are appropriate.

*Overall MIP Rates*

On January 20, 2025, President Trump signed a presidential memorandum titled, “Delivering Emergency Price Relief for American Families and Defeating the Cost-Of-Living Crisis”. This presidential memorandum orders the heads of all executive departments and agencies to deliver emergency price relief to the American people, including by pursuing appropriate actions to lower the cost of housing and expand housing supply.

The 2016 notice represents the most recent previous changes in FHA MIP and rate categories.

*MIP Rate Categories*

On January 28, 2016, HUD published a notice in the **Federal Register** announcing proposed MIP changes for certain FHA Multifamily Housing Insurance programs to promote Green and Energy Efficient Housing (81 FR 4926). On March 31, 2016, HUD published a final notice in the **Federal Register** reducing MIPs for FHA qualifying Multifamily Housing Insurance programs (81 FR 18473) and created a new Green/Energy Efficient Housing category. On January 20, 2025, President Trump signed Executive Order 14154 titled “Unleashing American Energy,” which shifts agency priorities away from policies that promote green and energy efficient goals.

The 2016 notice also created two additional MIP rate categories of *Affordable Housing* and *Broadly Affordable Housing*, each with reduced MIP rates. However, the MIP rates for market rate housing were explicitly left unchanged in the 2016 notice. On January 20, 2025, President Trump signed a presidential memorandum titled, “Delivering Emergency Price Relief for American Families and Defeating the Cost-Of-Living Crisis”, which orders broad cost relief for housing.

**II. This Notice**

*Overall MIP Rates*

In response to current market conditions, to lower the financing cost, and to expand the supply of rental housing, HUD is proposing to reduce MIP rates to 0.25% for all multifamily housing programs. MIP rate changes may be applied to FHA multifamily mortgage insurance applications submitted or amended on or after the effective date of a notice announcing the new MIP rates, so long as the loan has not been initially endorsed.

The proposed across-the-board MIP reductions are necessitated by a sharp rise in construction costs and mortgage interest rates since 2021. Market rate property MIPs were explicitly unchanged in 2016 and remain cost prohibitive. HUD data shows that from March 2024 to March 2025, only 4% of Section 221(d)(4) and 223(f) loan closings were for market rate properties without green or affordable incentive qualification, suggesting severe underutilization due to high cost. HUD proposes to expand the MIP cost-saving benefits to all property types, to immediately lower financing costs and stimulate rental housing development.

In conjunction with this proposal, HUD has completed an impact analysis to the FHA insurance fund, which showed acceptable results. HUD’s robust risk-based underwriting process and very low loan insurance claim rates support the proposed expansion of reduced MIP rates.

HUD is soliciting comment on the revisions to these overall MIP rates.

*Summary Table of FHA Multifamily Mortgage Insurance Premiums By Section of National Housing Act*

FHA Multifamily Mortgage Insurance Program	Current upfront capitalized MIP *	Proposed upfront capitalized MIP *	Current annual MIP (basis points)	Proposed annual MIP (basis points)
Section of National Housing Act: 207 Multifamily New Constr/Sub Rehab w/o LIHTC .....	70	25 .....	70 .....	25.

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)
207 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.
213 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 .....	25.
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.

## Table Footnotes:

\* Upfront premiums for multifamily refinancing programs are capitalized and based on the first year's annual MIP for the applicable rate category. Upfront premiums for multifamily new construction and substantial rehabilitation programs insuring advances are capitalized and based on the annual MIP for the applicable rate category for the entire construction period, rounded up to the nearest whole year.

\*\* All loans originated by Housing Finance Agencies under FHA's Section 542(c) Risk-Sharing program, and by Qualified Participating Entities including Fannie Mae and Freddie Mac under FHA's Section 542(b) Risk-Sharing program, will continue to have a 25 basis point MIP rate, multiplied by the percentage risk assumed by FHA as shown in table below:

Program	FHA percent of risk share	Upfront capitalized MIP basis points (bps)	Annual MIP basis points (bps)
542(b) .....	50	12.5 (25 bps × 50 percent) .....	12.5 (25 bps × 50 percent).
542(c) .....	50	12.5 (25 bps × 50 percent) .....	12.5 (25 bps × 50 percent).
	75	18.75 (25 bps × 75 percent) .....	18.75 (25 bps × 75 percent).
	90	22.5 (25 bps × 90 percent) .....	22.5 (25 bps × 90 percent).

## MIP Rate Categories

This notice announces that HUD proposes to eliminate the *Green and Energy Efficient Housing*, *Affordable*, and *Broadly Affordable* MIP rate categories on the effective date of a notice announcing the new MIP rates, as discussed above. Under this proposed notice, these MIP categories become economically obsolete, because MIP rates are uniformly proposed at 0.25%.

HUD has reconsidered its 2016 position of specifying MIP rates across four categories and 11 loan programs, resulting in 35 individual MIP rates. HUD's current position is that this approach is overly complicated and burdens decision making for borrowers and lenders. An across-the-board MIP rate significantly simplifies cost-benefit analysis considerations used by owners, developers, and lenders.

HUD is aware that differing MIP rates among multifamily programs may contribute to utilization imbalances and underserved rental housing segments. From March 2024 to March 2025, 96% of loan closings under Section 221(d)(4) and 223(f) utilized one of these reduced MIP incentive categories. Only 4% of loan closings were for market rate properties without green or affordable incentive qualification. HUD seeks to

rebalance loan program utilization, currently skewed by the 2016 incentive categories, to benefit all rental housing segments.

Elimination of these three MIP categories will also eliminate their respective specialized requirements as outlined in the 2016 Rules. The overlay requirements pertaining to the 5% loan fee limitations for the *Green and Energy Efficient Housing* and *Broadly Affordable* categories are eliminated and standard HUD program handbook requirements apply to new loan fees, primarily the Multifamily Accelerated Processing Guide ("MAP Guide", HUD Handbook 4430.G). Additionally, for all loans closed under a *Green and Energy Efficient Housing* MIP rate, the requirements to evidence the initial green building achievement and the annual reporting of energy performance are fully eliminated. Overall, these requirements were burdensome and resulted in higher overall development costs, which is inconsistent with presidential memoranda and reduces new construction feasibility.

## III. Environmental Review

This notice involves the establishment of rate or cost determinations and related external

administrative requirements that do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 24 CFR 50.19(c)(6), this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Frank Cassidy,

Principal Deputy Assistant Secretary for Housing.

[FR Doc. 2025-11814 Filed 6-25-25; 8:45 am]

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7104-N-10; OMB Control No.: 2577-0301]

## 60-Day Notice of Proposed Information Collection: Capital Fund High Risk/ Receivership/Substandard/Troubled Program

AGENCY: Office of the Assistant Secretary for Public and Indian Housing (PIH), HUD.

ACTION: Notice.

SUMMARY: The Department of Housing and Urban Development (HUD) is