



ASSISTANT SECRETARY FOR
PUBLIC AND INDIAN HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

Date: September 28, 2026

Dear Lender Letter 2026-06

To: All Tribes
All Tribally Designated Housing Entities
All Section 184 Approved Lenders and Servicers

Subject Increase in the Upfront Loan Guarantee Fee

Purpose The purpose of this Dear Lender Letter (DLL) is to provide guidance to Lenders on the increase of the Upfront Loan Guarantee Fees under the Section 184 Indian Housing Loan Guarantee Program (Section 184 Program), as published in the Federal Register on September 28, 2026.

Effective Date In accordance with the Federal Register Notice 91 FR 35697, the policies in this DLL are effective on October 1, 2026.

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the Office of Loan Guarantee at Section184Comments@HUD.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs This guidance applies to the Section 184 program.

Background Section 184 of the Housing and Community Development Act of 1992 (Public Law 102-550, approved October 28, 1992), as amended, which establishes the Section 184 Program, allows HUD to establish an Upfront Loan Guarantee Fee of up to an amount not exceeding 3.00 percent of the principal obligation of the loan, and an Annual Loan Guarantee Fee in an amount not exceeding 1.00 percent of the remaining guaranteed balance.

On September 28, 2026, HUD published a Federal Register Notice (91 FR 35697) increasing the Upfront Loan Guarantee Fee from 1.00 to 1.5 percent effective October 1, 2026.

**Increase in the
Upfront Loan
Guarantee Fee**

This DLL implements the increase in the Section 184 program Upfront Loan Guarantee Fee from 1.00 to 1.5 percent. Lenders shall apply the increase in the following manner:

Firm Commitments issued on or after October 1, 2026, shall apply the increased Upfront Loan Guarantee Fee of 1.5 percent.

Firm Commitments issued prior to October 1, 2026, and any subsequent Firm Commitment amendments (regardless of the date of the subsequent amendment(s)), shall **not** be subject to the increased 1.5 percent Upfront Loan Guarantee Fee. These loans remain subject to the 1.00 percent Upfront Loan Guarantee Fee.

Additionally, this DLL increases the upfront loan guarantee fee from 0 to 1.00 percent for all new Section 184 Skilled Workers Demonstration Program Firm Commitments issued on and after October 1, 2026.

Questions

Any questions regarding this DLL may be directed to
Section184Comments@hud.gov.

Signature



Benjamin Hobbs
Assistant Secretary for Public and Indian Housing
U.S. Department of Housing and Urban Development