

National MI Announcement: UW 2019-01

Date of Announcement: August 5, 2019

Effective Date of Changes: August 9, 2019 (unless otherwise stated)

National MI is pleased to announce the following guideline changes:

- **AUS Loans:**
 - Expanded manufactured homes to allow renovation loans
 - Added Freddie Mac's CHOICEHomeSM as an eligible manufactured home property type, provided LTVs > 95% are submitted to National MI for Non-Delegated Underwriting review
- **AUS and Non-AUS Loans:**
 - Added that an escrow account need not be established when the postponed improvements do not exceed 2% of the "as completed" value
 - In those instances where a revolving or open-end credit debt on the credit report does not include a payment amount, added that 3% of the outstanding balance may be used for qualifying purposes
 - Clarified that a seasoned loan is a loan where the MI Application is received after the first payment due date
 - Clarified National MI's Comprehensive Credit Assessment underwriting guidelines for stable employment/income and property condition
 - Clarified that 4506-T's are required for borrowers with qualifying income
- **Non-AUS/Manually Underwritten Loans:**
 - Expanded manufactured homes to allow renovation loans for basic energy and/or water efficiency improvements that do not exceed 15% of the "as completed" value
 - Added Lender Incentives up to \$500 as an additional eligible asset
 - Expanded Affordable Lending guidelines to allow Fannie Mae's Subordinate Financing and Freddie Mac's Secondary Financing terms as eligible second liens
 - Changed the Retirement Asset Liquidation income calculation to divide the net eligible assets by 240 months
 - Geothermal properties are now an eligible property type
 - Added underwriting guidelines for authorized user accounts
 - Clarified National MI's underwriting guidelines for paid-off/down debts and the foreclosure waiting period when the foreclosure is included in a bankruptcy

The following changes are effective October 9, 2019:

- **Non-AUS/Manually Underwritten Loans:**
 - Reverse mortgage income to be added to the list of Ineligible Sources of Income
 - Reverse mortgage drawn down equity or proceeds to be added to the list of Ineligible Assets
 - Reverse mortgage repayment terms and borrower occupancy requirements must be documented with a letter from the reverse mortgage servicer

An update to National MI's TrueGuide[®] Underwriting Guidelines explaining these changes in detail will be posted to nationalmi.com on or before August 9, 2019.