

National MI Announcement: UW 2018-02

Date of Announcement: June 22, 2018

Effective Date of Changes: July 6, 2018 (unless otherwise noted)

National MI is pleased to announce the following guideline changes and clarifications:

- **AUS and Non-AUS Loans:**
 - Construction-to-Permanent Loans: Added detached condos as an eligible property type
 - Borrower Residency: Clarified that illegal aliens who entered the U.S. at a young age with deferred deportation (aka DACA) do not meet National MI's residency requirements

- **AUS Eligible Loans:**
 - Manufactured Homes:
 - Up to 97% LTVs are allowed for Manufactured Home Advantage properties (defined by and eligible according to Fannie Mae guidelines) and those with greater than 95% LTVs must be submitted to National MI for a non-delegated underwriting review
 - Centralized all of National MI's manufactured home requirements into a new Section 2.2.14

- **Non-AUS/Manually Underwritten Loans:**
 - Expanded loan amount to the FHFA Conforming High Balance Maximum for 2-unit Primary Residence Purchase and Rate/Term Refinance up to 85% LTV/CLTV
 - Construction-to-Permanent loans: Added that Purchase transaction treatment and one-time close construction-to-perm LTV calculation is allowed if the lot is owned prior to the first advance from the construction financing
 - Renovation Mortgage loans:
 - Increased the cost of renovation up to 75% of the "as completed" appraised value
 - Removed the requirement that loans with draw features or where interest is charged only as funds are dispersed must be underwritten as construction to perm loans
 - Removed the requirement that the renovation must add value to the property
 - Added Restricted Stock and Restricted Stock Units as eligible income sources
 - Added Native American tribes as eligible donor for grant funds
 - Added that timeshare accounts may be treated as installment debts
 - Clarified that real estate tax liens are a derogatory event and must be paid in full at or before loan closing
 - Clarified that a charge-off of mortgage, restructured mortgage and property tax forfeiture are included as derogatory real estate events requiring a waiting period

The following guideline changes are effective September 6, 2018:

▪ **Manufactured Homes:**

- For AUS and Non-AUS loans: Added requirement that a manufactured home may not be on communal land (aka resident-owned community or ROC).

▪ **Derogatory Credit and Waiting Periods:**

- Increased foreclosure waiting period from 4-years up to 7-years
- Increased multiple bankruptcies waiting period from 4-years up to 5-years
- Added garnishments as a derogatory event that must be paid in full at or before loan closing.

An update to National MI's TrueGuide® Underwriting Guidelines explaining these changes in detail will be posted to nationalmi.com on or before July 6, 2018.