

National MI Announcement: UW & SVC 2020-04

Date of Announcement: April 23, 2020

Effective Date of Changes: March 18, 2020 (unless otherwise noted)

National MI supports the COVID-19 temporary servicing, underwriting and valuation flexibilities, guideline changes and clarifications announced by Fannie Mae and Freddie Mac beginning March 18, 2020 through April 22, 2020.

- National MI continues to honor our insurance coverage on loans that go into forbearance (including forbearance that begins prior to the first payment due date), provided:
 - (i) The loan fully complies with [National MI's TrueGuide[®] Underwriting Guidelines](#), including, but not limited to, the borrower's employment and income disclosed on the final 1003 is true and accurate at time of the note date;
 - (ii) The forbearance (aka "Workout" per National MI's Master Policy) results from a hardship that arose after the note date and begins after the Certificate Effective Date; and
 - (iii) The lender/servicer remits all MI premiums due to National MI as specified in the Master Policy and in accordance with the requirements specified in [National MI's Servicing Guide](#). The Servicer is advised to continue to remit mortgage insurance premiums to ensure there is no lapse in coverage should the borrower cure the Default.
- Effective April 14, 2020 – For **AUS and Non-AUS/Manually Underwritten** loans, National MI aligns with the temporary inspection reports flexibility for virtual property inspections due to COVID-19 impacts announced by Fannie Mae and Freddie Mac.
- Effective April 8, 2020 – National MI aligns with the revised temporary servicing guidance for assisting borrowers with hardship due to the COVID-19 pandemic announced by Fannie Mae and Freddie Mac; and for additional details, please visit our website at www.nationalmi.com/covid-19-updates/.
- Refer to [National MI Bulletins 2020-02 and 2020-03](#) for details regarding National MI's alignment to the COVID-19 temporary flexibilities and changes announced by Fannie Mae and Freddie Mac between March 18, 2020 through March 31, 2020.
- **Reminders:**
 - National MI TrueGuide[®] Section 1.1 indicates:
 - (i) If the TrueGuide[®] is silent on a topic, then National MI defers to the GSE guidelines (which includes, but is not limited to, condo project reviews, requirements for disbursing draws on renovation loans, powers of attorney, remote online notarization, electronic signatures, etc.); and
 - (ii) Future GSE guidelines changes are eligible for insurance on the same effective dates announced by the GSEs unless otherwise communicated by National MI.

▪ **Reminders: (cont'd)**

- Though Commitments are good for 120 days (12 months for construction-to-permanent), TrueGuide® Section 4.4 summarizes that documentation must be updated as necessary to comply with the age of documentation requirements (now 60 days for many important documents) and if the risk profile changes then an MI re-approval is required.
- Underwriting consideration regarding National MI's income stability guidelines is required as outlined in TrueGuide® Sections 2.1.4 and 3.12.6 (Comprehensive Credit Assessment) and 3.5.1.1 (Income Stability).
- For **Non-AUS/Manually Underwritten loans**, if the appraisal indicates declining values, TrueGuide® Section 3.6.5.2 requires a maximum 95% LTV and special care be taken while reviewing the appraisal to ensure the value is supported.

National MI's [TrueGuide® Underwriting Guidelines](#) and [Servicing Guide](#) will not be updated with the temporary guideline flexibilities announced in this Bulletin and [National MI Bulletins 2020-02 and 2020-03](#).

For the latest National MI COVID-19 updates, please visit our website at www.nationalmi.com/covid-19-updates/.

For complete details on our rates and guidelines please visit nationalmi.com.