

National MI Announcement: UW: 2015-2

Date of Announcement: March 16, 2015

Effective Date of Changes: The changes described in this announcement are applicable to all MI applications received on, or after, March 23, 2015 unless otherwise noted below. These changes are incorporated into the National MI Underwriting Guidelines dated March 23, 2015.

Guideline Changes

- **Expansion to include Manufactured Homes**
 - AUS Eligible and Non-AUS primary residence and second homes to \$417,000
 - Subject to applicable manufactured home pricing adjusters
 - Changes affect the following guidelines
 - Conforming Loans (2.3.1) – Primary and Second Home
 - Conforming Affordable Lending (2.3.3) - Primary
 - Non AUS Conforming (3.13) – Primary and Second Home
 - Non AUS Affordable Lending (3.13) – Primary
 - Updated Section 3.6.1.7 “Factory Built and Manufactured Housing”
- **Non AUS Conforming Changes**
 - Loan amount expanded to the applicable FHFA high balance maximum for primary residence purchase and rate/term refinance up to 95% LTV and construction to permanent up to 90% LTV
 - Minimum credit scores reduced by 20-40 points:
 - Primary Residence 1-unit purchase and rate/term refinance minimums reduced to 680 at 97% and 660 at 95% and below
 - Primary Residence cash-out reduced to 680
 - Primary Residence construction to permanent reduced to 660
 - Primary Residence 2-unit reduced to 680
 - Second Home reduced to 680
 - Maximum Two-Unit LTV increased to 95%
 - Expanded investment property eligibility to permit condo and co-op property types
- **Conforming Affordable Lending expanded to permit co-ops to 97% LTV (from 95%)**
- **Conforming Investor property types expanded to include condos and co-ops**
- **Non-AUS (Section 3) Guideline Changes**
 - Compensation increases meeting specified requirements may be used for Non AUS qualifying (requirements described within 3.5.1.8 - Employment Offers and Compensation Increases)
 - Minimum 1% (from 2%) payment amount for student loans in deferment. Minimum also applies to loans in repayment.
 - Requires that unreimbursed employee business expenses be deducted for all income types (both commission and non-commission) – previously this was not specifically addressed in guidelines
- **Non-arm’s Length and Property Flip transactions are now eligible for delegated approval**

Guideline Clarifications

- Language is added to 3.6.3.2 (Leasehold Estates) clarifying that Community Land Trust are eligible provided they meet applicable GSE guidelines
- Clarified that both the ARM LTV and CLTV are limited to 95% in several matrices (Conforming Matrix (2.3.1), Non AUS Conforming (3.13) and matrix in section 7.0)
- Clarified meaning of “eligibility criteria” in 2.1.4 to include credit, capacity, collateral, etc.
- Removed redundant rows (no impact to guidelines) within the following matrices:
 - Conforming Loans (2.3.1)
 - Conforming High Balance Loans (2.3.2)
 - Conforming Affordable Lending (2.3.3)
- Modified 3.6.2 (Ineligible Property Types) to clarify that ineligible conversions are those that do not meet agency eligibility and project requirements, and to correct the number of states