

National MI Announcement: UW 2020-06

Date of Announcement: July 6, 2020

Effective Date of Changes: July 10, 2020 (unless otherwise noted)

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

▪ AUS Loans:

- As a follow-up to National MI's Bulletin 2020-02 (published on March 26, 2020), expanded eligibility to Loan Product Advisor[®] (LPA[®]) "Accept" risk class loans with Freddie Mac's automated collateral evaluation (ACE) appraisal waiver (effective March 29, 2020).
- Updated the Automated Tools list by adding DU[®]/LPA[®], Freddie Mac ACE and Fannie Mae's rural high needs appraisal waivers.
- Clarified when a construction loan payment history and an updated verbal verification of employment are required on one-time close construction-to-permanent loans.
- Clarified that single-wide manufactured homes are ineligible.

▪ AUS and Non-AUS Loans:

- Added new COVID-19 Guidelines indicating that as of July 10, 2020, National MI has aligned with all of Fannie Mae's and Freddie Mac's temporary COVID-19 changes, except we require that a borrower in an active COVID-19 forbearance who is seeking new financing provide a written explanation to confirm the hardship that caused the forbearance is not on-going and is unlikely to recur.
- Added Taxpayer First Act guidelines.
- Clarified that rental income from the subject property may not be used to qualify for 2-4 unit primary residences or 1-unit investment properties if the borrower does not own a primary residence and does not have a current housing expense.
- Clarified that a mortgage insurance pricing benefit is available to borrowers participating in a U.S. military-sponsored relocation assistance/readiness program.
- Updated the list of required submission documents.

▪ Non-AUS/Manually Underwritten Loans:

- Updated the list of eligible ARM indices to allow any GSE-eligible index.

An update to National MI's TrueGuide[®] Underwriting Guidelines explaining these changes and clarifications in detail will be posted to nationalmi.com on or before July 10, 2020.

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