

National MI's Refinance Certificate Change Program

National MI's Refinance Certificate Change program supports efforts to help homeowners who have a timely mortgage payment history, but are unable to refinance to more financially beneficial mortgage terms because their property values have declined. The following GSE option is allowed:

- [GSE Refinance Certificate Change](#): Applies to loans owned or guaranteed by Fannie Mae or Freddie Mac and originated under Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance programs.

GSE Refinance Certificate Change of Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance Loans

The following requirements apply to a refinance transaction of an existing National MI insured loan that is also a Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance.

In the event National MI's GSE Refinance Certificate Change program guidelines are silent on a topic, the standard Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance guidelines will apply (excluding any custom variances that may have been negotiated – unless such variances have also been approved by National MI).

National MI requirements for GSE loans are largely consistent with GSE requirements. In addition to requiring that the loan satisfy all of the applicable GSE requirements and that National MI currently insures the loan being refinanced, National MI guidelines incorporate the following overlays:

- [Current UPB](#) of existing loan (i.e., the mortgage being refinanced) may not exceed the original loan amount
- [Living borrowers may not be removed](#) from the Note on the new refinance loan, except in case of divorce
- [LTV thresholds](#) must exceed the minimum percent and dollar amount included in the eligibility matrix
- [Higher Minimum LTVs](#) (see eligibility matrix below for details)

For a complete set of underwriting, documentation and program requirements, please refer to National MI's Refinance Certificate Change Program Guidelines, Fannie Mae's High LTV Refinance or Freddie Mac's Enhanced Relief Refinance programs.

Eligibility Matrix: GSE Refinance Certificate Change Program	
Originating Lender/Servicer	New refinance loan may be originated by any of the following: <ul style="list-style-type: none">▪ Current Insured lender or an affiliate of the Insured lender;▪ Current Servicer or Sub-Servicer or an affiliate of the Servicer or Sub-Servicer;▪ New originating lender; or▪ New Servicer
Effective Date	Loan Application Date of the new refinance loan must be on or after 11/1/2018
Seasoning of Existing Loan	<ul style="list-style-type: none">▪ Note Date of existing loan (i.e., loan being refinanced) must be on or after 10/1/2017; and▪ Minimum 15 months must have elapsed between the Note Date of the existing loan to the Note Date of the new refinance loan
Current GSE or Agency	Existing loan must: <ul style="list-style-type: none">▪ Be currently owned or guaranteed by Fannie Mae or Freddie Mac;▪ Not have an outstanding repurchase request from Fannie Mae or Freddie Mac; and▪ Not have been previously delivered to Fannie Mae or Freddie Mac as a Home Affordable Refinance Program (HARP) loan
Current MI Company	Existing loan must: <ul style="list-style-type: none">▪ Be currently insured by National MI;▪ Not be in the process of having MI coverage rescinded; and▪ Have a Current LTV > 80%
MI Certificate #	National MI will retain the same MI Certificate number
MI % of Coverage	No change to the percent of MI coverage
MI Premium Rate	<ul style="list-style-type: none">▪ No change to the MI premium rate▪ MI premiums on the existing loan must be paid to National MI through the date of the new refinance loan closing▪ Please do not cancel or terminate the MI Certificate on the existing loan
MI Plan	<ul style="list-style-type: none">▪ No change to the MI plan type (i.e., BPMI must remain BPMI and LPMI must remain LPMI)▪ No change to the MI payment plan frequency (i.e., monthly must remain monthly, etc.)▪ No change to the MI renewal option (i.e., constant must remain constant, etc.)
MI Premium Payment Amount	<ul style="list-style-type: none">▪ While the MI premium rate remains the same, the MI premium payment amount may change and will be determined using the same MI premium rate on the new refinance loan amount (provided the new refinance loan amount complies with the requirements described in the New Loan Amount & Mortgage Proceeds section below); or▪ If the existing loan has a Single Premium MI Plan, the following MI premium payment terms apply:<ul style="list-style-type: none">▪ National MI will not charge an additional MI premium when the originally insured loan has a Single Premium MI Plan (even when there is an increase in the new refinance loan amount); and

Eligibility Matrix: GSE Refinance Certificate Change Program				
	<ul style="list-style-type: none">When the new refinance loan amount is less than the existing loan amount, National MI will retain in full the Single Premium paid for the existing loan.			
Appraisal & Property Value	<ul style="list-style-type: none">The property value must have declined such that the Current LTV requirements noted below are met.The Current Value of the property must be determined by one of the options allowed per Fannie Mae’s High LTV Refinance or Freddie Mac’s Enhanced Relief Refinance programs.			
Borrower Change	<ul style="list-style-type: none">All borrowers from the existing loan must remain on the new refinance loan, <u>except</u> as follows:<ul style="list-style-type: none">A deceased borrower may be removed provided that evidence of the borrower’s death is included in the file; orIn case of divorce, the ex-spouse borrower may be removed provided:<ul style="list-style-type: none">Evidence of the divorce decree reflects the remaining borrower has been awarded the subject property; andThe remaining borrower meets <u>all</u> the requirements per Fannie Mae’s High LTV Refinance or Freddie Mac’s Enhanced Relief Refinance programs.A new borrower may not be added to the new refinance loanBorrower buy-outs are not allowed			
Loan Purpose	<ul style="list-style-type: none">Rate/Term RefinanceA Renovation Mortgage is ineligible for the Refinance Certificate Change Program			
New Loan Amount & Mortgage Proceeds	<ul style="list-style-type: none">Current UPB of existing loan may <u>not exceed</u> the <u>original</u> loan amountThe new refinance loan amount may include the following and National MI’s insured loan amount may be increased to match the eligible new refinance loan amount:<ul style="list-style-type: none">Payoff of 1st mortgagePay up to \$5,000 in closing costs; andMaximum \$250 cash-back to borrower (cash-back > \$250 must be applied as a principal curtailment to the new refinance loan)			
Current LTV/CLTV	<ul style="list-style-type: none">Current Value must have declined from the Original Value such that <u>both</u> of the following two LTV thresholds are met:<ul style="list-style-type: none">3% LTV Threshold: The Minimum LTV in the following table must be exceeded by at least 3%; <u>and</u>\$5,000 LTV Threshold: The Minimum LTV in the following table must be exceeded by an amount of at least \$5,000			
	Current Occupancy	Property Type	GSE	Full Appraisal Obtained Minimum Current LTV
	Primary Residence	1-unit Single-Family, Condo or Co-op ⁽¹⁾	Fannie Mae or Freddie Mac	97.01%
		Manufactured Home (including MH Advantage)	Fannie Mae or Freddie Mac	97.01%
		2-unit	Fannie Mae	85.01%
			Freddie Mac	95.01%
		3-4 unit	Fannie Mae	85.01%
	Freddie Mac		95.01%	
	Second Home	1-unit Single-Family, Condo or Co-op ⁽¹⁾	Fannie Mae or Freddie Mac	90.01%
Manufactured Home (including MH Advantage)		Fannie Mae or Freddie Mac	90.01%	
Investment Property ⁽²⁾	1-unit Single-Family, Condo or Co-op ^{(1), (2)}	Fannie Mae or Freddie Mac	85.01% ⁽²⁾	
<div><div>⁽¹⁾ Co-ops are ineligible for a Fannie Mae DU appraisal waiver option or a Freddie Mac HVE.</div><div>⁽²⁾ For additional requirements on loans where the occupancy type has converted from a Primary Residence to an Investment Property, contact the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F)</div></div>				
<ul style="list-style-type: none">GSE Refinance Certificate Change Program Eligibility Examples are noted below				

GSE Refinance Certificate Change Program – Eligibility Examples:

Current Occupancy	GSE	Valuation Type	Property Type	New Refinance Loan Amount	Valuation	Current LTV	Minimum Current LTV	Eligibility
Primary	Fannie or Freddie	New Full Appraisal	1-unit	\$87,000	New Full Appraisal = \$80,000	108.75%	97.01%	<ul style="list-style-type: none"> LTV % Threshold = 97.01% + 3% = Min 100.01% Current LTV LTV \$ Threshold = (\$80,000 x 0.97 = \$77,600) & \$87,000 - \$77,600 = \$9,400 Loan is ELIGIBLE, as both the 3% & \$5,000 LTV thresholds are met
	Fannie	Appraisal Waiver	1-unit	\$87,000	Appraisal Waiver Value = \$80,000 HVE Point Value Estimate = \$80,000	108.75%	107.01%	<ul style="list-style-type: none"> LTV % Threshold = 107.01% + 3% = Min 110.01% Current LTV LTV \$ Threshold = (\$80,000 x 1.07 = \$85,600) & \$87,000 - \$85,600 = \$1,400 Loan is INELIGIBLE, as neither the 3% or \$5,000 LTV thresholds are met
	Freddie	HVE						
Primary	Fannie	New Full Appraisal	2-unit	\$380,000	New Full Appraisal = \$400,000	95.00%	85.01%	<ul style="list-style-type: none"> LTV % Threshold = 85.01% + 3% = Min 88.01% Current LTV LTV \$ Threshold = (\$400,000 x 0.85 = \$340,000) & \$380,000 - \$340,000 = \$40,000 Loan is ELIGIBLE, as both the 3% & \$5,000 LTV thresholds are met
	Freddie						95.01%	<ul style="list-style-type: none"> LTV % Threshold = 95.01% + 3% = Min 98.01% Current LTV LTV \$ Threshold = (\$400,000 x 0.95 = \$380,000) & \$380,000 - \$380,000 = \$0 Loan is INELIGIBLE, as neither the 3% or \$5,000 LTV thresholds are met
Primary	Fannie	Appraisal Waiver	2-unit	\$380,000	N/A	95.00%	N/A	<ul style="list-style-type: none"> Fannie limits DU Appraisal Waivers to 1-units Fannie Mae requires new full appraisal on 2-units

Eligibility Matrix: GSE Refinance Certificate Change Program									
		Freddie	HVE			HVE Point Value Estimate = \$400,000		105.01%	<ul style="list-style-type: none"> LTV % Threshold = 105.01% + 3% = Min 108.01% Current LTV LTV \$ Threshold = (\$400,000 x 1.05 = \$420,000) & \$380,000 - \$420,000 = (\$40,000) Loan is INELIGIBLE, as neither the 3% or \$5,000 LTV thresholds are met
Maximum Current LTV/CLTV		<ul style="list-style-type: none"> No maximum Current LTV is required on Fixed Rate loans A maximum 105% Current LTV is required when the new refinance loan is an ARM No maximum Current CLTV/HCLTV is required on Fixed Rate or ARM loans 							
Subordinate Financing		Subordinate financing must comply with Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance programs, except the combined balances of the new 1 st refinance lien and the existing 2 nd lien may <u>not</u> increase beyond an amount described in the New Loan Amount & Mortgage Proceeds section above							

Documentation Requirements

Depending upon the MI submission path, submit the following relevant documents:

- **Delegated Loans:**
 - Completed & Signed [National MI High LTV Relief Refinance Certificate Change Request form](#)
- **Non-Delegated Loans:**
 - Completed & Signed [National MI High LTV Relief Refinance Certificate Change Request form](#)
 - Loan Payment History of Existing Loan (may be documented via current credit report)
 - Copy of Original Note on Existing Loan
 - New Loan Application (Form 1003)
 - New Transmittal Underwriting Summary (Form 1008 – or lender’s equivalent underwriting analysis or underwriting summary form)
 - AUS final reports (DU Findings/LPA Feedback, if applicable)
 - Current Credit Report on all Borrowers
 - Current Employment/Income (for at least one borrower provide VVOE, non-employment income documentation (if applicable), or Recent Financial Statement with 12 Months Reserves; additional documentation required if [new P&I payment increasing >= 20%](#) or if the [ex-spouse borrower is being removed](#) from the Note on the new refinance loan)
 - Current Assets (provide if [new P&I payment increasing >= 20%](#) or if the [ex-spouse borrower is being removed](#) from the Note on the new refinance loan)
 - Current Property Valuation documentation (New Full Appraisal, DU Appraisal Waiver or LPA HVE, as applicable)
 - Other Documents, as applicable

Submission Process for National MI’s Refinance Certificate Change Program

- National MI allows the following MI submission options:
 - For single loan or multiple/bulk loan MI submissions, submit the relevant documents via either:
 - ShareFile; or
 - TLS email communication to GSECertMod@nationalmi.com
 - Contact our Solution Center to set up ShareFile or confirm your company has been TLS approved: Call 855-317- 4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F)
 - For single loan **Delegated** MI submissions, complete, sign and submit the [National MI High LTV Relief Refinance Certificate Change Request Form](#)
 - For single loan **Non-Delegated** MI submissions, complete and sign the [National MI High LTV Relief Refinance Certificate Change Request Form](#) and submit the form and relevant documents
 - For multiple or bulk loan MI submissions, complete and submit the [National MI High LTV Relief Refinance Certificate Change Request spreadsheet](#)
 - For B2B/EDI transmissions, please contact the Solution Center at 855.317.4NMI (4664).
- Please do not cancel or terminate the National MI Certificate on the existing loan.
- Once National MI has received and reviewed the documents, we will provide the submitting lender with a notification.
- Within approximately 10 business days of receiving a complete and accurate MI submission, eligible loans will receive an interim replacement National MI Commitment with the same National MI certificate number.

Please direct questions to:

- servicing@nationalmi.com; or Call the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT(M-F).