

## 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 Non-GSE option is allowed:

- [Non-GSE Refinance Certificate Change](#): Applies to loans not owned or guaranteed by the GSEs and/or are maintained in a lender's own portfolio.

## Non-GSE Refinance Certificate Change of National MI Insured Loans of Lender Portfolio Loans

The following requirements apply to a refinance transaction of an existing National MI insured loan that is also a Non-GSE Refinance.

In the event National MI's Non-GSE Refinance Certificate Change program guidelines are silent on a topic, the Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance guidelines will apply.

For a complete set of underwriting, documentation and program requirements, please refer to National MI's Refinance Certificate Change Program Guidelines.

<b>Eligibility Matrix: Non-GSE Refinance Certificate Change Program</b>	
<b>Originating Lender/Servicer</b>	New refinance loan may be originated by any of the following: <ul style="list-style-type: none"> <li>▪ Current Insured lender or an affiliate of the Insured lender;</li> <li>▪ Current Servicer or Sub-Servicer or an affiliate of the Servicer or Sub-Servicer;</li> <li>▪ New originating lender; or</li> <li>▪ New Servicer</li> </ul>
<b>Effective Date</b>	Loan Application Date of the new refinance loan must be on or after 11/1/2018
<b>Seasoning of Existing Loan</b>	<ul style="list-style-type: none"> <li>▪ Note Date of existing loan (i.e., loan being refinanced) must be on or after 10/1/2017; and</li> <li>▪ Minimum 15 months must have elapsed between the Note Date of the existing loan to the Note Date of the new refinance loan</li> </ul>
<b>Current Investor</b>	Existing loan must not be currently owned or guaranteed by Fannie Mae or Freddie Mac
<b>Current MI company</b>	Existing loan must: <ul style="list-style-type: none"> <li>▪ Be currently insured by National MI;</li> <li>▪ Not be in the process of having MI coverage rescinded; and</li> <li>▪ Have a <a href="#">Current LTV</a> &gt; 80%</li> </ul>
<b>MI Certificate #</b>	National MI will retain the same MI Certificate number
<b>MI % of Coverage</b>	No change to the percent of MI coverage
<b>MI Premium Rate</b>	<ul style="list-style-type: none"> <li>▪ No change to the MI premium rate</li> <li>▪ MI premiums on the existing loan must be paid to National MI through the date of the new refinance loan closing</li> <li>▪ Please do not cancel or terminate the MI Certificate on the existing loan</li> </ul>
<b>MI Plan</b>	<ul style="list-style-type: none"> <li>▪ No change to the MI plan type (i.e., BPMI must remain BPMI and LPMI must remain LPMI)</li> <li>▪ No change to the MI payment plan frequency (i.e., monthly must remain monthly, etc.)</li> <li>▪ No change to the MI renewal option (i.e., constant must remain constant, etc.)</li> </ul>
<b>MI Premium Payment Amount</b>	<ul style="list-style-type: none"> <li>▪ 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 <a href="#">New Loan Amount &amp; Mortgage Proceeds</a> section below); or</li> <li>▪ If the existing loan has a Single Premium MI Plan, the following MI premium payment terms apply: <ul style="list-style-type: none"> <li>▪ 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</li> <li>▪ 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.</li> </ul> </li> </ul>
<b>Appraisal &amp; Property Value</b>	<ul style="list-style-type: none"> <li>▪ The property value must have declined such that the <a href="#">Current LTV</a> requirements noted below are met</li> <li>▪ The Current Value of the property must be determined by a new full appraisal (with interior and exterior inspection)</li> </ul>
<b>Borrower Benefit</b>	New refinance must provide at least one of the following borrower benefits: <ul style="list-style-type: none"> <li>▪ Reduced principal and interest payment</li> <li>▪ Lower interest rate</li> <li>▪ Shorter amortization term</li> <li>▪ Move to a more stable product</li> </ul>
<b>Borrower Change</b>	<ul style="list-style-type: none"> <li>▪ All borrowers from the existing loan must remain on the new refinance loan, <u>except</u> as follows: <ul style="list-style-type: none"> <li>▪ A deceased borrower may be removed provided that evidence of the borrower's death is included in the file; or</li> <li>▪ In case of divorce, the ex-spouse borrower may be removed provided: <ul style="list-style-type: none"> <li>○ Evidence of the divorce decree reflects the remaining borrower has been awarded the subject property; and</li> <li>○ The remaining borrower meets <u>all</u> the following requirements: <ol style="list-style-type: none"> <li>a) File evidences the remaining borrower on their own has been making the mortgage payment for the most recent 12-months</li> <li>b) Manual underwrite required (regardless of DU or LPA)</li> <li>c) New Full Appraisal required (with interior and exterior inspection)</li> <li>d) Minimum 620 Representative FICO score</li> </ol> </li> </ul> </li> </ul> </li> </ul>

Eligibility Matrix: Non-GSE Refinance Certificate Change Program																																				
	<ul style="list-style-type: none"> <li>e) Maximum 45% DTI (calculated using the credit report and verified income)</li> <li>f) Employment and income must be verified and documented (National MI defers to Fannie Mae's HighLTV Refinance and Freddie Mac's Enhanced Relief Refinance documentation requirements)</li> <li>g) Source of funds needed for closing must be verified with one recent monthly, quarterly or annual financial statement (reserves are <u>not</u> required to be verified) <ul style="list-style-type: none"> <li>▪ A new borrower may not be added to the new refinance loan</li> <li>▪ Borrower buy-outs are not allowed</li> </ul> </li> </ul>																																			
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>▪ Rate/Term Refinance</li> <li>▪ A Renovation Mortgage is ineligible for the Refinance Certificate Change Program</li> </ul>																																			
<b>Maximum Original Loan Amount</b>	<ul style="list-style-type: none"> <li>▪ The original loan amount must not exceed the applicable GSE maximum</li> <li>▪ National MI will consider excessive original loan amounts on a case-by-case basis via a Non-Delegated underwriting evaluation</li> </ul>																																			
<b>New Loan Amount &amp; Mortgage Proceeds</b>	<ul style="list-style-type: none"> <li>▪ Current UPB of existing loan may not exceed the <u>original</u> loan amount</li> <li>▪ The 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"> <li>▪ Payoff of 1<sup>st</sup> mortgage</li> <li>▪ Pay up to \$5,000 in closing costs; and</li> <li>▪ Maximum \$250 cash-back to borrower (cash-back &gt; \$250 must be applied as a principal curtailment to the new refinance loan)</li> </ul> </li> </ul>																																			
<b>Multiple Refinances</b>	No limit on the number of times the loan may be refinanced via National MI's Non-GSE Refinance Certificate Change program																																			
<b>Loan Product Type</b>	<ul style="list-style-type: none"> <li>▪ Fixed Rate fully amortizing; or</li> <li>▪ If the existing loan is an ARM, then the new refinance loan may be an ARM with a minimum 5-year initial fixed period</li> <li>▪ If the existing loan is a Fixed Rate, then the new refinance loan must be a Fixed Rate</li> <li>▪ Maximum 40-year amortization term (Example: If the existing loan is a 30-year or less amortization term, then the new refinance loan may be up to a maximum 40-year amortization term.)</li> <li>▪ Ineligible: ARMs with less than 5-year initial fixed period, Balloons, Graduated Payment, Interest-only, Negative Amortization (scheduled or potential), or pay-options features</li> </ul>																																			
<b>Temporary Buydown</b>	No buydown allowed																																			
<b>Current LTV/CLTV</b>	<ul style="list-style-type: none"> <li>▪ Current Value must have declined from the Original Value such that both of the following two LTV thresholds are met: <ul style="list-style-type: none"> <li>▪ 3% LTV Threshold: The Minimum LTV in the following table must be exceeded by at least 3%; and</li> <li>▪ \$5,000 LTV Threshold: The Minimum LTV in the following table must be exceeded by an amount of at least \$5,000</li> </ul> </li> </ul> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Current Occupancy</th> <th>Property Type</th> <th>Maximum Loan Amount</th> <th>Minimum Current LTV</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Primary Residence</td> <td rowspan="2">1-unit Single Family, Condo or Co-op</td> <td>GSE Conforming Loan Limit</td> <td>97.01%</td> </tr> <tr> <td>High Balance</td> <td>95.01%</td> </tr> <tr> <td rowspan="2">2-unit</td> <td>GSE Conforming Loan Limit</td> <td>95.01%</td> </tr> <tr> <td>High Balance</td> <td>85.01%</td> </tr> <tr> <td rowspan="2">3-4 unit</td> <td>GSE Conforming Loan Limit</td> <td>90.01%</td> </tr> <tr> <td>High Balance</td> <td>85.01%</td> </tr> <tr> <td rowspan="2">Second Home</td> <td>1-unit Single Family, Condo or Co-op</td> <td>GSE Conforming Loan Limit &amp; High Balance</td> <td>90.01%</td> </tr> <tr> <td>Manufactured Home (including MH Advantage)</td> <td>GSE Conforming Loan Limit</td> <td>90.01%</td> </tr> <tr> <td>Investment Property <sup>(1)</sup></td> <td>1-unit Single Family, Condo or Co-op <sup>(1)</sup></td> <td>GSE Conforming Loan Limit <sup>(1)</sup></td> <td>85.01% <sup>(1)</sup></td> </tr> <tr> <td>All</td> <td>All</td> <td>Jumbo</td> <td>Not Eligible <sup>(2)</sup></td> </tr> </tbody> </table> <p style="margin-left: 40px;"><sup>(1)</sup> 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).</p> <p style="margin-left: 40px;"><sup>(2)</sup> Jumbo loan amounts will be considered on a case-by-case basis if submitted via the Non-Delegated path.</p> <ul style="list-style-type: none"> <li>▪ Non-GSE Refinance Certificate Change Program <a href="#">Eligibility Examples</a> are noted below</li> </ul>	Current Occupancy	Property Type	Maximum Loan Amount	Minimum Current LTV	Primary Residence	1-unit Single Family, Condo or Co-op	GSE Conforming Loan Limit	97.01%	High Balance	95.01%	2-unit	GSE Conforming Loan Limit	95.01%	High Balance	85.01%	3-4 unit	GSE Conforming Loan Limit	90.01%	High Balance	85.01%	Second Home	1-unit Single Family, Condo or Co-op	GSE Conforming Loan Limit & High Balance	90.01%	Manufactured Home (including MH Advantage)	GSE Conforming Loan Limit	90.01%	Investment Property <sup>(1)</sup>	1-unit Single Family, Condo or Co-op <sup>(1)</sup>	GSE Conforming Loan Limit <sup>(1)</sup>	85.01% <sup>(1)</sup>	All	All	Jumbo	Not Eligible <sup>(2)</sup>
Current Occupancy	Property Type	Maximum Loan Amount	Minimum Current LTV																																	
Primary Residence	1-unit Single Family, Condo or Co-op	GSE Conforming Loan Limit	97.01%																																	
		High Balance	95.01%																																	
	2-unit	GSE Conforming Loan Limit	95.01%																																	
		High Balance	85.01%																																	
3-4 unit	GSE Conforming Loan Limit	90.01%																																		
	High Balance	85.01%																																		
Second Home	1-unit Single Family, Condo or Co-op	GSE Conforming Loan Limit & High Balance	90.01%																																	
	Manufactured Home (including MH Advantage)	GSE Conforming Loan Limit	90.01%																																	
Investment Property <sup>(1)</sup>	1-unit Single Family, Condo or Co-op <sup>(1)</sup>	GSE Conforming Loan Limit <sup>(1)</sup>	85.01% <sup>(1)</sup>																																	
All	All	Jumbo	Not Eligible <sup>(2)</sup>																																	

**Non-GSE Refinance Certificate Change Program – Eligibility Examples:**

Current Occupancy	Property Type	New Refinance Loan Amount	Current Appraised Value	Current LTV	Minimum Current LTV	Eligibility
Primary	1-unit	\$190,000	\$180,000	105.56%	97.01%	<ul style="list-style-type: none"> <li>• LTV % Threshold % = 97.01% + 3% = Min 100.01% Current LTV</li> <li>• LTV \$ Threshold = (\$18,000 x 0.97 = \$174,600) &amp; \$190,000 - \$174,600 = \$15,400</li> <li>• Loan is ELIGIBLE, as both the 3% &amp; \$5,000 LTV thresholds are met</li> </ul>
Primary	1-unit	\$43,500	\$40,000	108.75%	97.01%	<ul style="list-style-type: none"> <li>• LTV % Threshold % = 97.01% + 3% = Min 100.01% Current LTV</li> <li>• LTV \$ Threshold = (\$40,000 x 0.97 = \$38,800) &amp; \$43,500 - \$38,800 = \$4,700</li> <li>• Loan is INELIGIBLE, although 3% LTV threshold is met, the \$5,000 LTV threshold is not satisfied</li> </ul>
Primary	2-unit	\$380,000	\$385,000	98.70%	95.01%	<ul style="list-style-type: none"> <li>• LTV % Threshold = 95.01% + 3% = Min 98.01% Current LTV</li> <li>• LTV \$ Threshold = (\$385,000 x 0.95 = \$365,750) &amp; \$380,000 - \$365,750 = \$14,250</li> <li>• Loan is ELIGIBLE, as both the 3% &amp; \$5,000 LTV thresholds are met</li> </ul>

Eligibility Matrix: Non-GSE Refinance Certificate Change Program	
<b>Maximum Current LTV/CLTV</b>	<ul style="list-style-type: none"> <li>No maximum Current LTV is required on Fixed Rate loans</li> <li>A maximum 105% Current LTV is required when the new refinance loan is an ARM</li> <li>No maximum Current CLTV/HCLTV is required on Fixed Rate or ARM loans</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Combined balances of the new 1<sup>st</sup> refinance lien and the existing 2<sup>nd</sup> lien may <u>not</u> increase beyond an amount described in the <a href="#">New Loan Amount &amp; Mortgage Proceeds</a> section above</li> <li>Existing 2<sup>nd</sup> must be resubordinated to new 1<sup>st</sup> lien</li> <li>Existing 2<sup>nd</sup> may not be paid-off with proceeds from or via an increase in the new 1<sup>st</sup> lien refinance loan amount</li> <li>Existing 2<sup>nd</sup> may be increased to pay down the 1<sup>st</sup> lien balance</li> <li>Existing 2<sup>nd</sup> may be a Community/Affordable Second</li> <li>Existing 2<sup>nd</sup> may be simultaneously refinanced along with new 1<sup>st</sup> lien refinance</li> <li>New subordinate financing is not allowed (except for simultaneous refinances as noted above)</li> </ul>
<b>DTI</b>	<p>Maximum DTI does not apply <u>except</u> a maximum 45% DTI is required as follows:</p> <ul style="list-style-type: none"> <li><a href="#">P&amp;I on the new refinance loan is increasing 20% or more; or</a></li> <li><a href="#">Ex-spouse borrower is being removed</a> from the Note on the new refinance loan</li> </ul>
<b>Credit Report &amp; Representative FICO</b>	<ul style="list-style-type: none"> <li>A new credit report is required for every borrower; and credit information must be developed by combining data from at least two of the national repositories</li> <li>Minimum Representative FICO score does not apply <u>except</u> a minimum 620 Representative FICO score is required as follows: <ul style="list-style-type: none"> <li><a href="#">P&amp;I on the new refinance loan is increasing 20% or more; or</a></li> <li><a href="#">Ex-spouse borrower is being removed</a> from the Note on the new refinance loan</li> </ul> </li> <li>A review of the borrower's new credit history or creditworthiness is <u>not</u> required</li> <li>If the new credit report or the new refinance loan application declarations reflect a previous bankruptcy, foreclosure, deed-in-lieu, short-sale or charge-off of mortgage, the waiting periods and re-established credit standards do <u>not</u> apply</li> </ul>
<b>Mortgage Payment History</b>	<p>Mortgage payment history of the existing loan may be documented with a new credit report and must meet the following:</p> <ul style="list-style-type: none"> <li>Mortgage must be current;</li> <li>No 30-day or more delinquencies in the most recent 6 months; and</li> <li>No more than one 30-day delinquency in most recent months 7 through 12</li> </ul>
<b>Employment &amp; Income</b>	<ul style="list-style-type: none"> <li>For at least <u>one</u> borrower, the following employment/income verification is required: (*) <ul style="list-style-type: none"> <li>Verbal Verification of Employment (VVOE) for employed borrower; or verification of business existence for self-employed borrower; or</li> <li>For income other than employed or self-employed income, verification of the source of income is required; or</li> <li>In lieu of the documentations noted above, 12 months new PITIA reserves must be verified with one recent monthly, quarterly or annual financial statement is acceptable</li> </ul> </li> <li>Minimum history of income receipt is not required</li> <li>3-year continuance of income is not required</li> </ul> <p>(*) If <a href="#">P&amp;I on the new refinance loan is increasing 20% or more</a> or if an <a href="#">ex-spouse borrower is being removed</a> from the Note on the new refinance loan, additional employment and income documents are required and National MI defers to Fannie Mae's High LTV Refinance and Freddie Mac's Enhanced Relief Refinance documentation requirements.</p>
<b>Form 4506-T</b>	IRS Form 4506-T must be signed by each borrower with income at or before the new refinance loan closing
<b>Assets &amp; Reserves</b>	<ul style="list-style-type: none"> <li>Asset verification is <u>not</u> required (even if funds are needed for closing) <u>except</u> as follows: <ul style="list-style-type: none"> <li><a href="#">P&amp;I on the new refinance loan is increasing 20% or more; or</a></li> <li><a href="#">Ex-spouse borrower is being removed</a> from the Note on the new refinance loan</li> </ul> </li> <li>If asset verification is required, one recent monthly, quarterly or annual financial statement is acceptable</li> <li>Reserves are <u>not</u> required to be verified (<u>except</u> a minimum 12 months PITIA verified reserves may substitute for aVVOE not being obtained)</li> </ul>
<b>Multiple Financed Properties</b>	There is no limit on the number of financed residential properties
<b>P&amp;I Increase</b>	<p>There is no limit on the amount the P&amp;I on the new refinance loan may increase. However, if the P&amp;I on the new refinance loan is increasing 20% or more, the following requirements apply:</p> <ul style="list-style-type: none"> <li>Manual underwrite required (DU and LPA not allowed)</li> <li>New Full Appraisal required (with interior and exterior inspection)</li> <li>Minimum 620 Representative FICO score</li> <li>Maximum 45% DTI (calculated using the credit report and verified income)</li> <li>Employment and income must be verified and documented (National MI defers to Fannie Mae's High LTV Refinance and Freddie Mac's Enhanced Relief Refinance documentation requirements)</li> <li>Source of funds needed for closing must be verified with one recent monthly, quarterly or annual financial statement (reserves are not required to be verified)</li> </ul>
<b>Property Valuation</b>	Current Value must be documented with a new full appraisal (with interior and exterior inspection)
<b>Property Type</b>	<ul style="list-style-type: none"> <li>No change to the property type is allowed between the existing loan to the new refinance loan</li> <li>All GSE-eligible property types are allowed</li> <li>Properties with C5 or C6 condition ratings or Q6 quality ratings may have an appraisal completed on an "as-is" basis</li> <li>Properties affected by a FEMA declared disaster are acceptable without repairs being completed prior to the new refinance Note Date, provided standard homeowner's and flood insurance requirements are met</li> <li>Confirmation that the subject property is not listed For Sale is not required.</li> </ul>

Eligibility Matrix: Non-GSE Refinance Certificate Change Program	
<b>Project Warranty</b>	<ul style="list-style-type: none"> <li>▪ PUD, Condo &amp; Co-op project warranty for the new refinance loan is not required (*) except as follows: <ul style="list-style-type: none"> <li>▪ Project not a timeshare or condotel;</li> <li>▪ Project's liability and fidelity insurances meet GSE requirements</li> <li>▪ If Manufactured Home or Leasehold Estates project, then must meet GSE requirements</li> </ul> </li> </ul> (*)Note: The Insured is responsible for project eligibility warranty of the existing loan.
<b>Occupancy Type</b>	<ul style="list-style-type: none"> <li>▪ Primary Residence, Second Home or Investment Property are eligible</li> <li>▪ Occupancy conversions are eligible</li> </ul>
<b>AUS &amp; Non-AUS</b>	New refinance loan may be a Non-AUS, manually underwritten, DU® or LPA® loan

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