

National MI Announcement: UW 2024-05

Date of Announcement: December 20, 2024

Effective Date of Changes: Immediately (unless otherwise noted)

National MI is pleased to announce updates to the TrueGuide® and Rescission Relief Guide reflecting the following changes and clarifications.

TrueGuide®

AUS Loans

- **Automated Tools** (Section 2.2.15)
 - Added Fannie Mae Value Acceptance Plus Property Data with DU® Approve/Eligible
 - Added Freddie Mac ACE Plus Property Data Report (ACE + PDR) with LPA® Approve/Eligible
- **Affordable Lending** (Section 2.3.3)
 - Clarified that using the respective GSE's requirements for non-traditional credit if no borrower has a GSE-eligible FICO is permitted for 1-unit only.

Non-AUS Loans

- **Requirements were revised to align with the applicable GSE requirements for:**
 - **Rental Income Documentation and Calculation** (Section 3.5.1.18)
 - **Student Loan Qualifying Payment Amounts** (Section 3.5.5.2)
 - **Co-op Eligibility** (Section 3.6.1.3)
 - **Mixed Use Eligibility** (Section 3.6.1.5)
 - **Leasehold Estates Eligibility** (Section 3.6.3.2)
 - **Appraisal Form Eligibility** (Section 3.6.6)
- **Jumbo and Medical Professional Program loan limit increases**
 - The Jumbo changes announced in Bulletin UW 2024-04 published on **11/26/2024** will be implemented in National MI's **Rate Quote** pricing system and our **AXIS** MI ordering system on or before **1/17/2025**. Until then they will continue to be supported as described in the earlier bulletin.
- **Other miscellaneous changes described fully in the TrueGuide revision history** (Section 8)

Rescission Relief Guide

Automated Tool Rescission Relief (Section 3)

- Updated list of Automated Tools to be consistent with the TrueGuide®

Notification of Achievement of Rescission Relief (Section 9.2)

- Separately described notification of achievement of rescission relief for files reviewed by National MI's QC department.

Underwriting Short-term Rentals

A short-term rental (STR) in a project that is licensed as a hotel/etc. or is professionally managed by a hotel or resort company is ineligible. If the STR is managed by the owner or a property manager hired by the owner, it may be eligible under non-owner occupied guidelines if it meets all other applicable requirements.

Fannie's market rent Form 1007 (and Freddie's equivalent Form 1000) are designed and acceptable only for documenting income for monthly rentals and should not be used for STRs. Other items to consider:

- A STR is not a monthly rental so income cannot be supported by a lease documenting a month-to-month or longer tenancy
- Revenue or income from a STR owned by the borrower that is reported on the most recent year's tax return may be considered (applicable to a refinance but not a purchase transaction)
- For a STR purchase loan, subject property revenue/income cannot be considered (it is not on the prior year's tax return, there is no monthly lease, and there is no approved GSE form to estimate such income)

For complete details on guidelines please visit nationalmi.com.