

## National MI Announcement: UW 2025-01

Date of Announcement: March 24, 2025

Effective Date of Changes: Immediately (unless otherwise noted)

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

### TrueGuide®

#### **AUS and Non-AUS Loans**

- **Short-Term Rentals (STR)** (Sections 2.2.16.2 and 3.5.1.18)
  - Updated the TrueGuide to incorporate the clarification published in the December 2024 bulletin. If a property is a Short-Term Rental (STR), then rental income cannot be considered unless it is present on the most recent year's signed federal tax return and there is sufficient history to make a prudent income determination. A property that is licensed or operated as a type of transient housing 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.
- **Maximum Number of Insured Loans** (Sections 2.2.17 and 3.2.6)
  - Revised policy to state that National MI reserves the right to limit new insurance to borrowers with existing loans insured by National MI. Limitations include but are not limited to a maximum of 3 insured loans per borrower. Lower limits may apply to some scenarios. National MI will monitor for borrower concentrations internally and does not expect lenders to complete these assessments.

#### **Non-AUS Loans**

- **Requirements were revised to align with the applicable GSE requirements for:**
  - **Home Renovation (Improvement)** (Section 3.4.6)
  - **Other Eligible Income - Restricted Stock (RS) and Restricted Stock Units (RSU)** (Section 3.5.1.36)

### Rescission Relief Guide

#### **Automated Tool Rescission Relief (Section 3)**

- Revised text to be consistent with the TrueGuide®

#### **Rescissions (Section 4.1)**

- Added content describing the Notice of Intent to Rescind (NOIR) process. When a Significant Defect gives rise to a rescission (i.e., the loan is not insurable), the rescission process is carried out by National MI's Servicing department. Prior to initiating the formal rescission process

described in the Master Policy, the Master Policy holder (and the loan's servicer if different) is informed via email by National MI Servicing of the planned rescission and provided with one additional 30-day window to make an appeal. During the NOIR process, insurance remains in force. If an appeal is submitted, NMI will respond within 30 days of the end of the appeal period in most cases.

For complete details on guidelines please visit [nationalmi.com](http://nationalmi.com).