

## National MI Announcement: UW and SVC 2018-03

Date of Announcement: October 2, 2018

Effective Date of Changes: November 1, 2018

---

### National MI is pleased to announce the following guideline changes, clarification and our Refinance Certificate Change program:

#### TrueGuide® Changes and Clarification

- **AUS and Non-AUS Loans:**
  - **Seasonal Second Homes:** Second Homes that are not suitable for year-round occupancy are eligible, provided the market value is supported with comparables that are also seasonally occupied.
  - **Boarder Income or Rental Income from the Borrower's Non-Borrowing Spouse:** Clarified that boarder income or rental income from the borrower's non-borrowing spouse may not be considered as qualifying income.
- **Non-AUS Loans:**
  - **Leasehold Estates:** Removed requirement regarding increases in ground rent.
  - **Ineligible Property Types:** Clarified that barndominiums are ineligible for insurance.
- **AUS Conforming Eligibility Matrix:**
  - Clarified that an AUS ineligible loan due to an 85% LTV on a cash-out refinance primary residence is limited to Fixed Rate product.

An update to National MI's [TrueGuide® Underwriting Guidelines](#) will be posted to [nationalmi.com](http://nationalmi.com) on or before November 1, 2018.

#### 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.

National MI insured loans are eligible for the Refinance Certificate Change program using one of the following options:

- **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.
- **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.

#### Refinance Certificate Change Program Summary

- Loan will be treated as a Modification of an existing National MI Certificate
- The MI Certificate #, MI % of Coverage, MI Premium Rate and MI Plan Type will remain the same
- A National MI Policy Holder must submit the loan via a process specially designed for this program
- National MI's requirements for GSE and Non-GSE loans are largely consistent with GSE guidelines. In addition to requiring that the loan satisfy all of the applicable GSE guidelines and that National MI currently insures the loan, our Refinance Certificate Change program incorporates the following overlays:
  - Current UPB of existing loan (or the mortgage being refinanced) may not exceed the originally insured 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 applicable program eligibility matrix
  - Higher Minimum LTVs (refer to the applicable program eligibility matrix)
- If the existing loan has met the conditions for rescission relief, the relief will be transferred to the approved new refinance loan

Additional information explaining the program in detail will be posted to [nationalmi.com](http://nationalmi.com) on or before November 1, 2018.

Please direct questions to the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F).