

## National MI Announcement: UW & SVC 2020-03

Date of Announcement: April 2, 2020

Effective Date of Changes: April 14, 2020

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### **National MI has aligned with the underwriting and valuation guideline changes announced by Fannie Mae and Freddie Mac on March 31, 2020.**

- Effective April 14, 2020 – For **AUS and Non-AUS/Manually Underwritten** loans with application dates on or before May 17, 2020:
  - Temporary underwriting origination guidelines due to COVID-19 impacts for age of income and assets documentation; verification of self-employment; and market-based assets; and
  - Temporary flexibilities for appraisals and final inspection reports due to COVID-19 impacts for new construction properties and renovation loans.
- Where [National MI's Servicing Guide](#) currently aligns with origination guidelines, the above changes also apply to Assumptions, Partial Releases, Traditional Modifications, Refinance Certificate Change loans, Reinstatements, Extensions of MI Commitments and Seasoned Loans.
- **Reminders:**
  - National MI TrueGuide<sup>®</sup> Section 1.1 indicates:
    - (i) In the event the TrueGuide<sup>®</sup> is silent on a topic, then National MI defers to the GSE guidelines (which includes, but is not limited to, powers of attorney, remote online notarization, electronic signatures, etc.); and
    - (ii) Future GSE guidelines changes are eligible for insurance on the same effective dates announced by the GSEs unless otherwise communicated by National MI.
  - Though Commitments are good for 120 days (12 months for construction-to-permanent), TrueGuide<sup>®</sup> Section 4.4 summarizes that documentation must be updated as necessary to comply with the age of documentation requirements (now 60 days for many important documents) and if the risk profile changes then an MI re-approval is required.
  - Underwriting consideration regarding National MI's income stability guidelines is required as outlined in TrueGuide<sup>®</sup> Sections 2.1.4 and 3.12.6 (Comprehensive Credit Assessment) and 3.5.1.1 (Income Stability).
  - For **Non-AUS/Manually Underwritten loans**, if the appraisal indicates declining values, TrueGuide<sup>®</sup> Section 3.6.5.2 requires a maximum 95% LTV and special care be taken while reviewing the appraisal to ensure the value is supported.

National MI's [TrueGuide<sup>®</sup> Underwriting Guidelines](#) and [Servicing Guide](#) will not be updated with the temporary guideline changes announced in this Bulletin and [National MI's Bulletin 2020-02](#).

For the latest National MI COVID-19 updates, please visit our website at [www.nationalmi.com/covid-19-updates/](http://www.nationalmi.com/covid-19-updates/).

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