

National MI Announcement: UW & Rescission Relief Guide 2021-07

Date of Announcement: December 17, 2021

Effective Date of Changes: December 18, 2021 (unless otherwise noted)

National MI is pleased to announce updates to the TrueGuide® and Rescission Relief Guide which includes the following changes and clarifications:

National MI's TrueGuide®

■ **Changes and Clarifications for Non-AUS/Manually Underwritten Loans:**

- **Minimum Representative FICO Credit Score Reduced on Primary Residence loans:**
 - a) Non-AUS Conforming Loans & Non-AUS Affordable Lending Loans: FICO reduced from 680 to 620 for \leq \$647,200 loan amounts on Single Family, Condo & Co-ops;
 - b) Non-AUS Conforming Loans: FICO reduced from 660 to 640 for Manufactured Homes.
- **Jumbo and Medical Professionals Program loans:**
 - a) Added eligibility for up to \$2,000,000 loan amounts;
 - b) Increased all loan amount limits; and
 - c) Increased the loan amount limit to \$1,000,000 to use the AUS documentation requirements on loans with a DU®/LPA® Approve/Accept/Ineligible (when AUS ineligibility is due to the loan amount).
 - d) For Medical Professionals Program loans, expanded the list of eligible medical professions to also include Veterinarians, Pharmacists and Physician Assistants.
- **Qualifying Rate for ARMs:**
 - a) ARMs with initial fixed periods equal to 5 years expanded to now qualify at note rate; and
 - b) ARMs with initial fixed periods of less than 5 years expanded to now qualify at either: (i) Initial note rate plus 2%; or (ii) Greater of fully indexed rate or initial note rate plus 2%.
- **Assets Used as Qualifying Income:**
 - a) Expanded the eligible assets to also include depository and securities accounts; and
 - b) Added that such income is limited to 1-unit Primary Residence or Second Home; and clarified documentation and qualifying requirements.
- **Departure Residence Converted to Investment Property:** Added minimum original 6-month lease agreement term.

■ **Changes and Clarifications for AUS & Non-AUS/Manually Underwritten Loans:**

- **Loan Amount Limits:** As a follow-up to National MI's [Bulletin 2021-06](#), which was effective November 30, 2021, updated the GSE Conforming and High-Balance / Super Conforming loan amount limits.
- **Deferred Action for Childhood Arrivals (DACA):** Expanded to allow DACA individuals as an eligible borrower; and added criteria when the DACA borrower's income is used for qualifying.
- **Individual Tax Identification Number (ITIN):** Added criteria when the ITIN borrower's income is used for qualifying.
- **Representative FICO Credit Score:** As a follow-up to National MI's [Bulletin 2021-04](#), added clarification that National MI uses the middle/lower method for determining the representative FICO credit score; and clarified that National MI does not consider an averaged credit score for underwriting eligibility or pricing purposes.

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- **Changes and Clarifications for AUS & Non-AUS/Manually Underwritten Loans (continued)**
 - **Fannie Mae's RefiNow™ and Freddie Mac's Refi PossibleSM programs:** Added reference to these programs for conforming loan amounts, which was effective May 5, 2021, per National MI's [Bulletin 2021-03](#).
 - **Underwriting Philosophy:** Added clarification regarding comprehensive credit assessment and fraud assessment as part of National MI's underwriting philosophy.
 - **Submission Requirements:** Updated the list of required documents by adding the final signed loan application to the post closing package submission list for National MI QC reviews only.
 - **Financed Mortgage Insurance:** Clarified the calculation of and criteria for base LTV and gross LTV.

An update to National MI's TrueGuide® Underwriting Guidelines explaining these changes and clarifications will be posted to nationalmi.com on or before December 18, 2021.

National MI's Rescission Relief Guide

- **QC Review Process:** Updated the QC file request due date.
- **Notifications:** Added section on Notification to Insured/Servicer of Achievement of Rescission Relief.
- **Required Documents:** Updated the list of required documents.

An update to National MI's Rescission Relief Guide explaining these changes and clarifications will be posted to nationalmi.com on or before January 1, 2022.

For complete details on our rates and guidelines please visit nationalmi.com.