



FAQ Supplement

RMIC's HARP New Servicer Option

RMIC is providing the following supplement to our HARP New Servicer Option to provide additional detail and answers to frequently asked questions. Program parameters including loan eligibility, premium rates, and submission instructions can be found in the program description posted on RMIC.COM. For additional information or assistance with participating in the program, please contact your RMIC Account Manager.

1. Q. Does a loan need to be current to qualify for a refinance under this program?

A. No. RMIC's program does not have a payment history requirement. As long as the new or restructured loan will improve the borrower's ability to repay the loan with safe and sustainable terms, RMIC will accept the loan for a certificate modification. If the loan is being refinanced or modified through an Investor's program (such as Freddie Mac's or Fannie Mae's programs) please check their specific requirements.

2. Q. What mortgage insurance premium rate will be charged?

A. For monthly and annual premium plans, the MI premium rate (in basis points) on the new or restructured loan will remain the same. For example, if the premium rate charged on the initial loan was 0.52%, the rate applied on the modified certificate will remain 0.52%. Please keep in mind that while the premium rate will remain the same, the borrower's premium payment will change if the loan balance is modified.

If the existing loan had single premium coverage, no additional premium will be due even if the loan amount / insured amount changes.

3. Q. Will I need to increase the MI coverage percentage if the LTV increases under Fannie Mae's or Freddie Mac's Home Affordable Refinance Programs (HARP)?

A. No. Both Fannie Mae and Freddie Mac will accept HARP refinance loans without an increase in coverage.

4. Q. What if I would like to increase coverage? Can I do that?

A. No. The coverage percentage must not exceed the coverage percentage on the existing loan being refinanced. The coverage amount may increase if the loan balance is modified.

5. Q. What are more specific examples of "improving the borrower's ability to repay the loan"?

A. Examples may include (but are not necessarily limited to) refinances that improve the borrower's ability to repay the loan with sustainable terms, resulting in:

- A reduction of the interest rate or monthly amortizing payment amount
 - Replacement of a high risk loan type such as an ARM, Interest Only loan, or balloon with a reset to a fully amortizing fixed rate loan
 - Replacement of an ARM with an upcoming adjustment that causes significant payment shock impairing the borrower's ability to continue making timely payments
 - Higher Priced Mortgage Loans (HPML) are ineligible.
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- 6. Q. What does RMIC allow to be included in the new Loan Amount / Insured Amount?**
- A.** RMIC allows all customary and reasonable closing costs to be added to the new loan / insured amount. In addition, the borrower or other payee may receive up to \$250 in cash-back from the closing. Any additional cash-back must be applied as principal curtailment. Specific Investor programs may have different restrictions.
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- 7. Q. Does the Loan Servicer/Insured have to be different to use this program?**
- A.** Yes. RMIC's HARP New Servicer Option requires that the new loan be serviced by a different Servicer/Insured from the existing loan. However, RMIC's Same Servicer Option supports modifications if the new loan will be serviced or refinanced (directly or indirectly) by the same servicer or an affiliate.
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- 8. Q. Does the Loan Originator have to be the same as the current Loan Servicer to use RMIC's program?**
- A.** No. It is not a requirement of the program that the Loan Originator and Servicer be the same company.
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- 9. Q. If a loan is currently subject to a Captive Reinsurance agreement with RMIC, will it remain in the Captive after it is refinanced under this program?**
- A.** No. Loans that are refinanced under this program will be removed from the existing Captive in accordance with the specific terms of a Lender's agreement with RMIC.
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- 10. Q. Will loans that were part of a Secondary Market Coverage (SMC) transaction be eligible for HARP?**
- A.** Yes. RMIC has worked out the operational details with both Fannie Mae and Freddie Mac to allow SMC loans to be eligible for HARP.
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- 11. Q. Can RMIC's New Servicer Option be used for other Investors?**
- A.** Yes. While this program was designed to ensure it met the programs introduced by Fannie Mae and Freddie Mac, it is not exclusively limited to these Investors. RMIC's New Servicer Option is available for loans owned by other Investors that meet the program parameters.
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- 12. Q. Do the representations of the Insured change with a HARP New Servicer Option refinance?**
- A.** Yes. The original representations of the Insured are extinguished after the modification. Documentation and information relied upon for the new mortgage and subsequent modification of the mortgage insurance certificate become part of the representations of the Insured.
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- 13. Q. Will RMIC insure a non-HARP refinance of a loan that is currently insured by RMIC?**
- A.** Yes, provided the loan is handled as a modification of the existing RMIC certificate of insurance. You may request a modification by submitting RMIC's Notice of Modification/Assumption Form.
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- 14. Q. Will RMIC insure a refinance of a loan that is currently insured by another MI company or is uninsured?**
- A.** No, RMIC is not currently writing new mortgage insurance coverage.
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- 15. Q. Will RMIC insure a non-HARP, non-RMIC insured loan with a DU Refi Plus recommendation?**
- A.** No, RMIC is not currently writing new mortgage insurance coverage.
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- 16. Q. Does RMIC provide contract underwriting services for loans submitted under this program?**
- A.** Yes, these loans are eligible for contract underwriting. Standard contract underwriting fees will apply.
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- 17. Q. Is a 4506-T and review of the tax return transcripts required under the HARP New Servicer Option?**
- A.** No, RMIC is not re-underwriting the loan or requesting updated documentation.
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