



FAQ Supplement

RMIC's HARP Same Servicer Option

RMIC is providing the following supplement to our HARP Same Servicer Option, which supports the Home Affordable Refinance Program (HARP), to provide additional detail and answers to frequently asked questions. Program parameters including loan eligibility, waived or modified guidelines, premium rates, and processing 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 certificate modification with RMIC?

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 programs?

A. No. Both Fannie Mae and Freddie Mac will accept new or restructured 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 in the original certificate of insurance. 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 limited to) refinances or modifications 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.

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 to principal curtailment. Specific Investor programs may have different restrictions.

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- 7. Q. Does RMIC's HARP Same Servicer Option apply to both Loan Modifications and Refinances?**
- A.** Yes. RMIC's program supports both loan refinances (such as those under the Home Affordable Refinance Program) and loan modifications (such as those under the Home Affordable Modification Program) where RMIC is currently the insurer. In either case, RMIC will modify the existing MI certificate if the Servicer/Insured of the new loan is the same as the Servicer/Insured of the existing loan. Under this program, RMIC simply endorses the existing certificate to reflect any updated information.
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- 8. Q. Will RMIC still issue a new certificate and insure a Rate and Term Refinance that meets RMIC's standard Rate and Term Refinance guidelines?**
- A.** No, RMIC is not currently writing new mortgage insurance coverage.
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- 9. Q. Does the Loan Servicer/Insured have to be the same to use this program?**
- A.** Yes. The new loan must be refinanced or modified by the existing Servicer/Insured. However, a different servicer may use RMIC's HARP New Servicer Option.
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- 10. Q. Does the Loan Originator have to be the same as the current Loan Servicer to use this program?**
- A.** No. It is not a requirement of the program that the Loan Originator and Servicer be the same company. However, for the HARP Same Servicer Option if the Originator is not the original Servicer, the Originator must ensure the loan is delivered to the original Servicer, and that the original Servicer requests the modification of the MI certificate to be eligible for these programs.
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- 11. Q. Do the Representations of the Insured change with a HARP Same 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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- 12. Q. If a loan is currently subject to a Captive Reinsurance agreement with RMIC, will it remain in the Captive?**
- A.** Yes. Certificates that are modified will remain eligible in the existing Captive in accordance with the specific terms of a Lender's agreement with RMIC.
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- 13. 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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- 14. Q. Can RMIC's HARP Same 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 HARP Same Servicer Option is available for loans owned by other Investors that meet the program parameters.
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- 15. Q. On a HARP Same Servicer Option Refinance loan, how will RMIC handle the coverage effective date?**
- A.** RMIC will use the original coverage effective date from the original loan. This date is used to determine when coverage originally started.
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- 16. Q. On a HARP Same Servicer Option Refinance loan, how will RMIC handle the premium payment processing during the month the new loan closes?**
- A.** RMIC will roll the unearned premium forward to the new billing period by advancing the effective date.
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- 17. Q. On a HARP Same Servicer Option Refinance loan, how will RMIC handle the payment anniversary date?**
- A.** RMIC will use the new payment anniversary date based on the loan closing date of the new loan. This date is used for the disclosure schedule provided by the lender and to calculate the 10-year constant renewal period.
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- 18. 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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- 19. 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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- 20. Q. Will RMIC insure a non-HARP, non-RMIC insured loan that has a DU Refi Plus recommendation?**
- A.** No, RMIC is not currently writing new mortgage insurance coverage.
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- 21. Q. Does RMIC provide contract underwriting services for HARP Same Servicer Option loans?**
- A.** Yes, these loans are eligible for contract underwriting with streamlined documentation. This applies only to RMIC insured loans where RMIC's coverage will continue after modification and the Servicer will remain the same. Standard contract underwriting fees will apply.
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- 22. Q. Is a 4506-T and review of the tax return transcripts required for a loan submitted under the HARP Same Servicer Option?**
- A.** No. Under the HARP Same Servicer Option the existing mortgage insurance certificate is being modified. RMIC is not re-underwriting the loan or requesting updated documentation.
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