



Updated Market Classifications, Easy IQ2 Retirement Date, NMLS Identifiers, HARP Guideline Modification, and Reminder of RMIC’s Condominium Conversion Policy

What’s New in This Release?

RMIC is providing an update to our market classifications, announcing the retirement date for our Easy IQ2 submission method, introducing two NMLS identifiers on our mortgage insurance application forms and ELS, modifying our HARP eligibility guidelines, and reiterating our policy regarding condominium conversions.

The policies outlined in this release supersede all existing waivers, exceptions and negotiated guideline variances previously granted by RMIC, and apply regardless of the findings of any automated underwriting system (AUS).

Updated Market Classifications

RMIC is making changes to market classifications under our Declining Markets Policy. Thirty-nine (39) markets improved from their previous classification and no markets became more restrictive. The 39 markets whose classifications changed, and each market’s previous and new classifications, are listed at the end of this edition of Release Notes. RMIC’s complete list of market classifications can be found by accessing [RMIC’s Housing Market Monitor](#). The updated market classifications will be effective for all mortgage insurance applications submitted on or after **May 20, 2010**.

RMIC’s Easy IQ2® Program to be Retired July 31, 2010

As a follow up to our initial announcement last year, the Easy IQ2 program will formally be retired on **July 31, 2010** and this option will be removed from RMIC’s MI application form and all electronic ordering systems. We believe we can better serve non-delegated customers by receiving a full package for underwriting by RMIC personnel who are continually trained and always up to date with the latest RMIC guidelines. In support of this change, RMIC has implemented the capability to submit an electronic full package loan via ELS®.

Submitting a full-package loan eliminates the potential risk of unintentionally missing a guideline change, making data entry mistakes, or mispricing a loan that could result in loss of coverage or costly investor repurchases.

Requesting RMIC Assistance with Submissions

If you need help changing the submission type or have questions about submitting a full case file, contact the RMIC National Operations Support Center at (866) 764-2398 or NationalOpsSupportCenter@rmic.com (Monday-Friday, 7 AM-8:30 PM Eastern).

NMLS* Identifiers

In Release Notes 2009-10, RMIC provided advance notice of additional information that will be required on future MI submissions. This advance notice was provided so customers could coordinate with similar changes required by investors and other partners. RMIC has not set an effective date for requiring submission of the new data, but in this Release Notes we are announcing that we will take the first step in this process by adding the following two NMLS* identifier fields to our MI application forms and ELS in July: Loan Originator Identifier and Loan Origination Company Identifier (see screen shot of RMIC’s revised MI application sticker below).

RMIC Master Policy #	Originated by: <input type="checkbox"/> Retail <input type="checkbox"/> Non-Retail
Insured’s Name	
Complete if Originator is other than Insured. Originator’s Name	Address City, State, ZIP
NMLS Loan Originator Identifier	
NMLS Loan Origination Company Identifier	

In the future RMIC will require the following information for all MI submission methods. The effective date will be communicated in a future Release Notes.

- Origination Company Name (if the Originator is other than the insured), and
- Origination Company Address (if the Originator is other than the insured), and
- NMLS Loan Originator Identifier (field to be added in July), and
- NMLS Loan Origination Company Identifier (field to be added in July), and
- Field Appraiser's State License Number, and
- Supervisory Appraiser's State License Number

Customers are encouraged to begin making preparations to provide the above information to RMIC for all MI submission methods. As you prepare to provide the NMLS identifiers to Fannie Mae and Freddie Mac at the time of loan delivery, please also include them in your MI ordering processes and systems. If you use Loan Origination Software (LOS), please contact your LOS vendor and request that they include these identifiers in the MI ordering file. RMIC's eBusiness team is available to support electronic trading partners with this implementation.

Last year RMIC introduced special eligibility criteria for loans that do not meet RMIC's definition of Retail origination. The ability to specify Retail or Non-Retail was added to the MI application form and ELS. This is a reminder to ensure that correct Retail/Non-Retail information is provided to RMIC on each MI loan submission. **Identification of a loan as Retail or Non-Retail is material to RMIC's decision to provide insurance coverage.**

HARP Guideline/Eligibility Change

Effective immediately, RMIC has revised its underwriting guidelines for HARP Same Servicer and HARP New Servicer loans. RMIC will permit the removal of a borrower from the loan being refinanced provided the loan meets the following parameters:

- The borrower being removed from the loan is also being removed from the deed. If the removal is due to the death of a borrower, evidence of death must be provided.
- The loan must contain evidence that the remaining borrower has been making the mortgage payments, including the payments for any subordinate financing, for the most recent 12-month period. Evidence of payment must be 12 months of canceled checks or 12 months of bank statements from an account owned individually by the remaining borrower. A 12 month history of payments from the remaining borrower's own funds is not required if a borrower is removed due to death.
- The loan must meet all other guidelines for RMIC's Recovery Assistance Program supporting HARP.

Reminder of RMIC's Policy Regarding Condominium Conversions

RMIC is reiterating its condominium conversions policy:

- Resales of converted condominium units from apartments, warehouses, etc., are eligible for RMIC insurance only if all the units have previously been sold to individuals other than the developer; and
- The project has been turned over to the HOA from the developer; and
- The appraiser must demonstrate market acceptance by using comparables that are resales from the subject project.
- Condo conversions are not automatically eligible for mortgage insurance even if they meet Fannie Mae's or Freddie Mac's definitions of Warrantable or Non-Warrantable Condos and must comply with the requirements outlined above, in addition to RMIC's standard underwriting guidelines, to be eligible for RMIC mortgage insurance coverage.

Supporting Resources

The following materials will be posted to www.rmic.com to assist customers with implementation of these changes:

- [This announcement \(Release Notes 2010-2\)](#)
- [RMIC's Declining Markets Policy](#)
- [Updated List of RMIC's Market Classifications](#)
- [Updated Quick Reference Guide](#)
- [RMIC's Recovery Assistance Program](#)

RMIC's Mortgage Insurance Guidelines are available in [electronic format](#) at www.rmic.com. If you have any questions regarding RMIC's new guidelines, please contact your RMIC Account Manager at 800-999-7642.

* The *Secure and Fair Enforcement for Mortgage Licensing Act of 2008* ("S.A.F.E. Act") was passed on July 30, 2008. The S.A.F.E. Act required states to pass legislation requiring the licensure of mortgage loan originators according to national standards and the participation of state agencies on the Nationwide Mortgage Licensing System and Registry (NMLS). The Federal Housing Finance Agency (FHFA) announced that effective with mortgage loan applications taken on or after January 1, 2010 (subsequently postponed until July 1, 2010), Fannie Mae and Freddie Mac are required to obtain loan-level identifiers for

the Loan Originator, Loan Origination Company, Field Appraiser, and Supervisory Appraiser. Both agencies have provided instructions to seller customers for providing these four identifiers ([Fannie Mae Announcement 09-11](#) and [FAQs dated February 4, 2010](#); [Freddie Mac Bulletin 2009-27](#)).

Republic Mortgage Insurance Company Republic Mortgage Insurance Company of Florida Republic Mortgage Insurance Company of North Carolina
101 North Cherry Street Winston-Salem, NC 27101 800-999-RMIC (7642) www.rmic.com 5.10

Market Classification Changes

Effective May 20, 2010

State	Metropolitan Statistical Area (MSA)	Previous Market Status	New Market Status
CO	Grand Junction	Standard Declining	Enhanced Declining
DE-MD-NJ	Wilmington	Standard Declining	Enhanced Declining
GA	Macon	Enhanced Declining	Check Appraisal and Lender's List
GA-SC	Augusta-Richmond County	Enhanced Declining	Check Appraisal and Lender's List
ID	Coeur d'Alene	Standard Declining	Enhanced Declining
IL-WI	Lake County-Kenosha County	Standard Declining	Enhanced Declining
IN	Fort Wayne	Enhanced Declining	Check Appraisal and Lender's List
KS	Wichita	Enhanced Declining	Check Appraisal and Lender's List
MD	Baltimore-Towson	Standard Declining	Enhanced Declining
MN-WI	Duluth	Enhanced Declining	Check Appraisal and Lender's List
NC	Rocky Mount	Enhanced Declining	Check Appraisal and Lender's List
NH	Manchester-Nashua	Standard Declining	Enhanced Declining
NM	Santa Fe	Enhanced Declining	Check Appraisal and Lender's List
NY	Kingston	Standard Declining	Enhanced Declining
OH	Akron	Enhanced Declining	Check Appraisal and Lender's List
OH	Canton-Massillon	Standard Declining	Enhanced Declining
OH	Cleveland-Elyria-Mentor	Standard Declining	Enhanced Declining
OH	Dayton	Standard Declining	Enhanced Declining
OH	Toledo	Standard Declining	Enhanced Declining
OH-PA	Youngstown-Warren-Boardman	Enhanced Declining	Check Appraisal and Lender's List
OR	Corvallis	Enhanced Declining	Check Appraisal and Lender's List
OR	Medford	Standard Declining	Enhanced Declining
OR	Salem	Standard Declining	Enhanced Declining
OR-WA	Portland-Vancouver-Beaverton	Standard Declining	Enhanced Declining
PA	Reading	Enhanced Declining	Check Appraisal and Lender's List
SC	Spartanburg	Enhanced Declining	Check Appraisal and Lender's List
TN-MS-AR	Memphis	Enhanced Declining	Check Appraisal and Lender's List
UT	Ogden-Clearfield	Enhanced Declining	Check Appraisal and Lender's List
UT	Salt Lake City	Standard Declining	Enhanced Declining
UT	St. George	Standard Declining	Enhanced Declining
VA	Danville	Enhanced Declining	Check Appraisal and Lender's List
VA	Richmond	Standard Declining	Enhanced Declining
WA	Bremerton-Silverdale	Standard Declining	Enhanced Declining
WA	Mount Vernon-Anacortes	Standard Declining	Enhanced Declining
WA	Seattle-Bellevue-Everett	Standard Declining	Enhanced Declining
WA	Spokane	Standard Declining	Enhanced Declining
WA	Tacoma	Standard Declining	Enhanced Declining
WI	Eau Claire	Enhanced Declining	Check Appraisal and Lender's List
WI	Racine	Enhanced Declining	Check Appraisal and Lender's List