



Release Notes

March 10, 2009

Release 2009-3

RMIC's Recovery Assistance Program

RMIC's New Program Supporting the Home Affordable Refinance Program and the Home Affordable Modification Program

On March 4th, Fannie Mae and Freddie Mac announced new refinance and modification programs to help families in distress restructure or refinance their home loan as prescribed in the Administration's Homeowner Affordability and Stability Plan. RMIC fully supports these initiatives and is pleased to announce our Recovery Assistance Program. The Recovery Assistance Program is designed to complement and reinforce Fannie Mae and Freddie Mac programs that assist borrowers struggling to meet their loan obligations.

Whether your borrower qualifies for the Home Affordable Refinance Program, the Home Affordable Modification Program, or is a portfolio loan, RMIC's Recovery Assistance Program is a quick and easy way for a Lender and the current Servicer of an RMIC insured loan to get approval for a certificate modification and improve the borrower's position when they would not qualify for a traditional rate and term refinance. RMIC will take aggressive action to waive or modify most traditional underwriting guidelines to help borrowers improve their ability to repay their obligation and avoid losing their home. RMIC has established a dedicated team to help you with everything needed to quickly identify and modify MI certificates in support of a refinance or loan modification under these new initiatives.

Qualifying Loans & New Financing Parameters

To be eligible for RMIC's Recovery Assistance Program, a loan must meet the following basic parameters:

1. RMIC is the insurer of the existing loan;
2. The loan Servicer will remain the same (the loan Originator does not have to be the same);
3. The borrower(s) and property are the same as on the existing loan;
4. The new or modified loan improves the borrower's ability to repay the loan and has sustainable terms:
 - Fixed rate loan or ARM with a minimum of 5 years to first adjustment
 - Fully amortizing or Interest Only with a minimum 10 years initial interest only period
 - In addition to reasonable and customary closing costs and prepaids, disbursement of cash to the borrower or any other payee is the lesser of \$2,000 or 2% of the new loan amount. (Existing second or junior liens are not allowed to be rolled into the new 1st lien but may be re-subordinated)
 - The MI coverage percentage on the new or modified loan does not exceed the coverage percentage of the existing loan

Qualifying Loan Guideline Waivers, Certificate Issuance, and Premium Rates

Under the Recovery Assistance Program, the existing RMIC mortgage insurance certificate remains in place and is modified to the terms of the loan refinance or modification. When a loan is processed for modification, RMIC returns an endorsement to the certificate reflecting the necessary changes. As before, an endorsement to the certificate is acceptable to all Investors including Fannie Mae and Freddie Mac. Additionally, the following premium rates and guideline waivers will be applied:

- The MI premium rate (in basis points) will remain the same as on the existing loan
- The MI coverage percentage will remain the same as on the existing loan
- The RMIC certificate number will remain the same as on the existing loan
- The existing loan does not need to be current
- Underwriting guidelines (such as maximum LTV/CLTV ratio, minimum credit score, maximum debt-to-income ratio, and RMIC's Declining Markets Policy) are waived

Ordering or Submitting a Loan for the Recovery Assistance Program

RMIC will be as flexible as possible in working with Lenders to process modifications. Currently, we offer two ways for a Lender to submit a loan for modification:

1. Call RMIC's dedicated Modification Team at 1-800-884-7642
2. Send the loan through your standard RMIC ordering system
 - RMIC identifies loan as currently insured by us (via social security number match)
 - Loan is referred out of system for special modification processing
 - RMIC contacts person who submitted loan to complete certificate modification

Determining if RMIC is Current Insurer

There are several quick and easy ways to determine if a loan is insured by RMIC:

1. Check with existing Servicer when obtaining the current unpaid principal balance
2. Email your request by sending the borrower's information (borrower name and property address) to psmodificationgroup@rmic.com
3. Call the RMIC Policy Servicing and Claims department at 1-800-884-7642

Program Support & Additional Resources

The following materials will be posted on RMIC.COM to assist Lenders with RMIC's Recovery Assistance Program:

- This announcement (Release Notes 2009-3 – March 10, 2009)
- Frequently Asked Questions providing additional detail about the program