



# Release Notes

March 20, 2008

Release 2008-06

Guidelines for Conforming Jumbo Loans

## What's New in This Release?

RMIC is pleased to announce the availability of mortgage insurance for GSE Conforming Jumbo products that meet the criteria provided below. New applications for coverage with the expanded loan amounts will be available on **May 5, 2008**. In addition, RMIC is revising our credit guidelines on multi-unit properties.

## Conforming Jumbo Guidelines

The following guidelines will apply to loans that meet the GSE guidelines for Conforming Jumbo loans. To be eligible for coverage by RMIC, all loans on 1-unit properties with loan amounts exceeding \$417,000 must meet the guidelines below. Loan amounts will be permitted up to 125% of the median home price in high-cost areas, with a maximum loan amount of \$729,750.

RMIC's Housing Market Monitor, which can be found at [www.rmic.com](http://www.rmic.com), has been updated to provide both declining markets information as well as the allowable loan limits for each market. These new guidelines apply to loans originated on and after 03/01/08:

- One-unit primary residences only;
- Full or Alternative Documentation only;
- Purchase or Rate/Term Refinances only;
- Minimum representative FICO score of 700 and all borrowers must have a valid FICO score for any loan under this program;
- No 30-day late payments on mortgages during the lesser of the last 12 months or the life of the loan;
- Maximum 90% LTV/CLTV;
- Maximum 45% total debt-to-income (DTI) ratio;
- Standard GSE MI coverage levels apply. Deeper coverage requires prior written approval by RMIC;
- Eligible Loan Product Types:
  - Fixed Payment loans
  - ARMs with an initial fixed period of at least 5 years
  - Interest Only ARMs with an initial fixed period of at least 5 years and a minimum I/O period of 10 years
- Maximum 3% seller or other interested parties contributions regardless of LTV;
- Minimum reserves of 2 months of principal, interest, taxes and insurance (PITI);
- RMIC's Declining Markets Policy will apply;
- Ineligible features and products include: manufactured homes, co-ops, model home leasebacks, condotels, condo conversions, loans for borrowers with non-traditional credit, temporary buydowns, balloon mortgages, multiple units and unique properties such as earth homes and dome homes;
- Loans must be manually underwritten, have a DU Approve/Eligible decision, or have an LP Accept or LP Accept Plus decision; and
- Loans in excess of \$650,000 are subject to the applicable Super Jumbo rate adjustment

Lenders submitting loans underwritten on a delegated basis under this program are responsible for ensuring that the loan meets RMIC's guidelines including the maximum loan amount allowable for the property's geographic area. RMIC is currently reviewing performance of Jumbo loans and may announce modified pricing in a future release.

## Guideline Change for Multi-Unit Properties—Effective May 5, 2008

In order to ensure continued availability of coverage, RMIC is implementing the following revised guideline for 2-4 unit properties:

- All loans on 2-4 unit properties will require a minimum loan representative FICO score of 680, regardless of AUS decision or occupancy status

## Updated Guidelines and Policies

RMIC's Mortgage Insurance Guidelines are available in electronic format at [www.rmic.com](http://www.rmic.com). All guidelines are updated after the implementation dates for the individual program changes. If you have any questions regarding RMIC's new guidelines, please contact your RMIC Account Manager at 800-999-7642.