



Release Notes

September 12, 2007

Changes to Credit Policy and Pricing on Reduced Documentation and A-Minus Loans

What's New in this Release?

As a result of significant changes to market conditions and deterioration of loan performance, RMIC is adjusting our A-Minus and Reduced Documentation credit policies.

1. The following guideline changes will go into effect **November 1, 2007**:
 - Expanded Approval Level III loans will be accepted to a maximum of 90% CLTV.
 - Expanded Approval Level II loans will be accepted to a maximum of 95% CLTV.
 - With the exception of Stated Income/Verified Assets (SIVA), all reduced documentation loans will be limited to 90% LTV.
2. RMIC will implement revised adjustments for reduced documentation loans **December 10, 2007**, subject to State Insurance Department approval.

Existing commitments will be honored if certificated prior to November 1, 2007.

1. Guideline Changes

Desktop Underwriter® Expanded Approval

- Loans receiving an **Expanded Approval Level III** recommendation from Desktop Underwriter will be accepted under RMIC's A-Minus Program to a maximum of 90% CLTV.
- Loans receiving an **Expanded Approval Level II** recommendation from Desktop Underwriter will be accepted under RMIC's A-Minus Program to a maximum of 95% CLTV.
- There is no change in policy for loans receiving an **Expanded Approval Level I** recommendation from Desktop Underwriter.

NOTE: RMIC is not making additional changes to our policies regarding Expanded Approval Loans at this time, but we are concerned with their ongoing performance and will make changes in the future if necessary. We are particularly concerned with EA loans in declining markets.

Reduced Documentation

- Under RMIC's new guidelines, all Reduced Documentation loans with the exception of SIVA loans will be **limited to 90% LTV**. SIVA loans are eligible to 95% LTV with a minimum 680 FICO, and to 90% LTV with a minimum 660 FICO.

2. Reduced Documentation Adjustment Changes

The following changes to RMIC's Reduced Documentation Program adjustments will be effective **December 10, 2007** (subject to State Insurance Department approval):

Loan Type	Current Adjustments	New Adjustments by FICO	
		700+	660-699
Rate/Term Refinance	– .05%	.00%	.00%
Cash-Out Refinance	+ .10%	+ .10%	+ .25%

Guideline and Rate Materials

RMIC's **Premium Rates Brochure**, updated to include new A-Minus guidelines and Reduced Documentation adjustments is in development and will be distributed when available.

RMIC's **Mortgage Insurance Guidelines** are available at www.rmhc.com and will be updated to reflect the new A-Minus and Reduced Documentation guidelines after the implementation dates for the individual program changes.

State Approvals & Restrictions

All effective dates are subject to state insurance department approval. For filing status and state approvals, please refer to www.rmic.com for frequent updates. The filing status can be viewed, printed or downloaded from the site by clicking on the Rates & Guides button at the top of the home page and then selecting "Rate Filing Status".

Effective Date

RMIC's new guidelines for A-Minus and Reduced Documentation Program loans will be effective **November 1, 2007**. Revised adjustments for Reduced Documentation loans will take effect **December 10, 2007**.

Contact Information

If you have any questions regarding RMIC's new guidelines, please contact your RMIC Account Manager at **1-800-284-9199**.

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