



Release Notes

January 24, 2008

Release 2008-02

Changes to Eligibility, Guidelines, and Pricing

What's New in This Release?

Based on our continuing review of developments in the market, RMIC is announcing the enclosed modifications to eligibility, guidelines, and premium rates.

These new policies supersede existing waivers and negotiated guidelines previously granted by RMIC.

Guideline/Eligibility Changes Effective March 21, 2008

The following guidelines will be effective for all commitments submitted on or after **March 21, 2008**:

- Rate & Term Refinance loans will be limited to a maximum loan-to-value ratio (LTV/CLTV) of 95%. Streamlined refinances will still be allowed with a maximum LTV/CLTV of 100% when all of the following are true:
 - RMIC is the insurer of the existing mortgage;
 - the property is a one-unit primary residence;
 - the principal and interest (P&I) payment on the new loan is equal to or less than the P&I payment on the existing loan;
 - there is no increase in the LTV category; and
 - disbursement of cash to the borrower or any other payee does not exceed the lesser of \$2,000 or 2% of the new loan amount.
- All refinance loans on properties in the states of AZ, CA, FL, MI, NV and OH which have a total debt-to-income ratio (DTI) over 45% must be submitted full package to RMIC for underwriting, regardless of AUS decision.
- Loans over 95% LTV/CLTV with an initial fixed payment term of less than five years and an average annual effective interest rate cap of over 1% will no longer be eligible for RMIC insurance regardless of the decision of any automated underwriting system (AUS).
- Loans which have potential negative amortization features (including pay option ARMs) will no longer be eligible for RMIC insurance.
- The minimum FICO score for a Stated Income/Stated Asset (SISA) loan will change to 680.
- Refinances will no longer be eligible for RMIC's Reduced Documentation program.
- LPMIpreferred® loans will be limited to 95% base LTV for loans with FICOs less than 680.
- Reduced Documentation loans with a potential interest rate adjustment greater than 1% during any 12 month period within the first five years of the loan term will no longer be eligible for coverage by RMIC.
- All loans underwritten with nontraditional credit will automatically receive RMIC's Class IV A-Minus rates.
- RMIC's maximum LTV/CLTV is 100%. The total LTV may only exceed 100%, up to a maximum of 103%, as a result of financing the mortgage insurance premium.
- A-Minus loans, Cash-Out Refinances, and loans secured by investment properties are no longer eligible for RMIC's Easy IQ2® submission program, regardless of AUS decision.

Addition to Previously Announced Premium Rate Changes Effective March 21, 2008

LPMIpreferred® Program—In addition to the previously announced changes to the Preferred Tier base rates in the 680-699 FICO range, we are making changes to our Select Tier (620+ FICO) base rates. No changes are being made to rates in the Preferred Tier (700+ FICO) range at this time. Excerpts of adjusted rates in both the Preferred and Select Tiers are shown in the table below.

30-Year • Fixed Payment • Purchase • No Refund

Base LTV	Coverage	Preferred Tier (680-699)		Select Tier (620+)	
		Single	Monthly	Single	Monthly
95.01-100%	35%	2.72%	0.80%	N/A	N/A
90.01-95%	30%	2.04%	0.60%	3.40%	0.75%
85.01-90%	25%	1.36%	0.40%	2.10%	0.48%
Up to 85%	12%	0.82%	0.24%	1.20%	0.29%

Updated Guidelines and Rate Materials

RMIC's Mortgage Insurance Guidelines and selected rate plan updates are available in electronic format at www.rmic.com. All guidelines are updated after the implementation dates for the individual program changes.

An update to RMIC's Premium Rates brochure is in development and will be distributed when available. For supplies, please contact your RMIC Account Manager (800-999-7642) or RMIC's Sales Customer Service Center at 800-999-7642, extension 4300.

If you have any questions regarding RMIC's new guidelines and premium rates, please contact your RMIC Account Manager at 800-999-7642.