



Release Notes

October 24, 2007

Changes to A-Minus Credit Policy and A-Minus Pricing

WHAT'S NEW IN THIS RELEASE?

As a result of continued significant changes to market conditions and deterioration of loan performance, RMIC is adjusting our A-Minus credit policy, A-Minus pricing, and nontraditional credit policy. The following guideline changes will go into effect

November 15, 2007:

- Eligible loans with a Loan to Value ratio (LTV) over 97% and a loan representative FICO score below 660 will receive A-Minus rates regardless of the decision of any automated underwriting system (AUS).
- All loans with loan representative FICO scores below 575 will be ineligible for RMIC insurance, regardless of AUS decision or LTV.
- All loans with Nontraditional Credit must be submitted to RMIC for manual underwriting.
- RMIC will honor all existing commitments submitted prior to November 15, 2007.

RMIC will also be implementing the following premium rate pricing change effective **December 10, 2007**, subject to state insurance department approval:

- A-Minus pricing for Class I rates greater than 95% LTV will be increased. The new premium rates for this segment are detailed in Section 2.

1. GUIDELINE CHANGES & CREDIT POLICY NOTIFICATIONS

- Effective **November 15, 2007**, eligible loans with a Loan to Value ratio (LTV) over 97% and a loan representative FICO score below 660 will receive A-Minus rates regardless of the decision of any automated underwriting system (AUS).
- Effective **November 15, 2007**, all loans with loan representative FICO scores below 575 will be ineligible for RMIC insurance, regardless of AUS decision or LTV.
- Effective **November 15, 2007**, all loans with Nontraditional Credit must be submitted to RMIC for manual underwriting.

Credit Policy Reminders

- Loans with LTVs greater than 95% and FICOs between 575 and 619 will receive A-Minus rates regardless of AUS decision, in effect since 2006.
- Loans with an Expanded Approval Level II recommendation from DU are acceptable under RMIC's A-Minus Program to a maximum of 95% CLTV, effective November 1, 2007.
- Loans with an Expanded Approval Level III recommendation from DU are acceptable under RMIC's A-Minus Program to a maximum of 90% CLTV, effective November 1, 2007.

Limited LTV Market Policy Notification

Properties located in a neighborhood with an over-supply of homes for sale, marketing time greater than six months or declining values represent a higher risk of loss of equity for the borrowers. Financing to the maximum loan to value ratio for these properties requires additional scrutiny of the appraisal, i.e., use of recent sales, sales and financing concessions. It is also recommended to adjust the LTV by five (5) percentage points less than the maximum LTV ratio allowed for that loan, particularly on cash out refinances and on rate and term refinances that do not result in a lower monthly payment for the borrower.

In addition, RMIC is also working on a systematic solution to limit certain severely declining markets to a maximum LTV of 95%. We will communicate more information about this solution at a date closer to its implementation.

2. A-MINUS PRICING CHANGES

The following changes to RMIC's A-Minus program will be effective **December 10, 2007**, subject to state insurance department approval:

New LTV Categories

The current LTV category of 95.01-100% will be split into two categories:

- 97.01 - 100% LTV
- 95.01 - 97% LTV

The following table includes our new A-Minus Class I base rates for loans over 95% LTV:

- Annualized Monthly, Primary Residence, Purchase or Rate/Term Refinance

30-Year		FICO ≥ 620 (Class I)		
Base LTV %	Coverage %	Fixed Payment	Choice ARM	Changing Payment
97.01-100	42	2.02	2.27	2.68
	40	1.95	2.20	2.53
	35	1.79	2.00	2.26
	33	1.69	1.89	2.14
	31	1.60	1.79	2.00
	30	1.55	1.74	1.97
	28	1.45	1.62	1.88
	26	1.36	1.53	1.79
	25	1.31	1.48	1.76
	23	1.21	1.36	1.69
	20	1.07	1.19	1.47
	18	.97	1.08	1.33
12	.70	.80	1.00	
95.01-97	42	1.73	1.94	2.29
	40	1.68	1.89	2.17
	35	1.53	1.71	1.93
	33	1.47	1.65	1.86
	31	1.39	1.55	1.74
	30	1.35	1.51	1.71
	28	1.27	1.42	1.65
	26	1.18	1.32	1.54
	25	1.14	1.28	1.52
	23	1.06	1.19	1.48
	20	.93	1.04	1.29
	18	.85	.94	1.16
12	.65	.74	.93	

Loans with LTVs up to 95% are not affected by this change. We will continue to monitor the marketplace and our loan performance and are also considering additional pricing changes to our A quality Monthlies/ZIP® Monthlies program for loans over 95% LTV.

GUIDELINES AND RATE MATERIALS

RMIC's Premium Rates brochure, updated to include the new A-Minus pricing adjustments, is in development and will be distributed when available. For additional supplies after distribution, contact your RMIC Account Manager (800-999-7642) or RMIC's Sales Customer Service Center at 800-999-7642, extension 4300.

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

STATE APPROVALS & RESTRICTIONS

The new A-Minus pricing changes 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 will be effective **November 15, 2007**.

Revised pricing in the A-Minus program will be effective **December 10, 2007**, subject to state insurance department approval.

CONTACT INFORMATION

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

Desktop Underwriter® is a registered trademark of Fannie Mae.