



Release Notes

December 5, 2008

Release 2008-19

3Q08 Market Classification Update and 2009 Loan Limit Guidelines

What's New in This Release?

RMIC is providing advance notice of changes to geographic market classifications based on the Federal Housing Finance Agency (FHFA) Home Price Index (formerly the OFHEO Index) for the third quarter of 2008. The new classifications will be effective for all mortgage insurance applications submitted on or after **December 19, 2008**. In addition, we are announcing our loan limit guidelines for 2009. The loan limit guidelines below are effective for all mortgage insurance applications submitted on or after **January 1, 2009**.

The policies outlined in this release **supersede all existing waivers and negotiated guidelines previously granted by RMIC, and apply regardless of the findings of any automated underwriting system (AUS)** except where specifically noted.

3Q08 Updated Market Classifications—Effective December 19, 2008

Based on the recently published 3Q08 FHFA Home Price Index, there will be changes to the classification of certain markets under RMIC's Declining Markets Policy. Included in this communication is a list of markets that are changing in status and the nature of the change for each market. In addition, we have added a feature to our [Zip Code Tool](#) (available via www.rmhc.com) which enables users to view the current and new market classification of a given ZIP Code based on the December 19 effective date.

Declining Markets Search

Enter a zip code to determine RMIC's declining market policy for properties in that area.

66604

Topeka, KS

- Declining Market thru 12/18 (Not on RMIC's Declining Market List beginning 12/19)
Eligible for Enhanced LTVs thru 12/18

v5.1 - 12/04/2008

2009 Loan Limit Guidelines—Effective January 1, 2009

RMIC's nationwide loan limit guidelines effective 01/01/09 are shown in the table below (changes **highlighted**):

Purchase or Rate/Term Refinance

Property Type ¹	Max Loan Amount	Stable Markets		Declining Markets			
		Max LTV/CLTV ²	Credit Score	Enhanced		Standard	
				Max LTV/CLTV ²	Credit Score	Max LTV/CLTV ²	Credit Score
1-Unit Primary Residence	Up to \$417,000	97% ³	720	95%	700	90%	720
1-Unit Primary Residence	Up to \$417,000	95%	620 ⁴	95%	700	90%	720
1-Unit Primary Residence	\$417,001-\$ 625,500⁵	90%	720	85%	720	85%	720
1-Unit Second Home	Up to \$417,000	90%	720	Ineligible			
2-Unit Primary Residence	Up to \$533,850	95%	680	90%	700	90%	720

- ¹ Alaska and Hawaii – One unit properties only. Loan amounts must meet RMIC guidelines.
- ² RMIC's Maximum CLTV, including HCLTV and TLTV are the same as the maximum LTV
- ³ For loans with LTVs greater than 95%, the following guidelines apply:
 - RMIC only allows a maximum 97% base LTV. The maximum gross LTV is 103%. The loan amount in excess of 97% can only include financed MI premium.
 - Nontraditional credit is not allowed
 - Loans require an initial fixed payment term of at least five years
 - Purchase transactions only
 - Retail loans only. "Retail loans" are defined as loans originated and processed by the lender's personnel, underwritten by the lender's underwriter (or RMIC underwriter), MI ordered under the lender's Master Policy, and loan closed in the lender's name
- ⁴ Loans with representative credit scores below 660 will be considered under RMIC's A-Minus Program
- ⁵ The following guidelines apply for 1 unit properties with loan amounts > \$417,000:
 - The maximum loan amount is limited to 115% of the area median house price as determined by the FHFA, not to exceed \$625,500
 - No 30-day late payments on mortgages during the lesser of the last 12 months or the life of the loan
 - Loans must have fixed payments for at least the first five years of the loan term
 - Maximum 3% seller or other interested party contributions regardless of LTV
 - Minimum cash reserves of 2 months of principal, interest, taxes and insurance (PITI)
 - DU Expanded Approvals (including EA-I, EA-II and EA-III) are not allowed
 - RMIC's Declining Markets Policy applies
 - Ineligible features: Nontraditional Credit, Temporary Buydowns, and Balloon Loans
 - Ineligible property: Co-ops, and unacceptable properties listed in the Ineligible Projects/Properties Section of the complete RMIC underwriting guidelines

Updated Underwriting Guidelines

The following materials will be posted to www.rmic.com to assist customers with underwriting and implementation of the credit policy:

- This announcement (Release Notes 12.05.08)
- [Summary of RMIC Guideline and Pricing Changes](#)
- [Declining Markets Policy Flyer](#)
- [Complete List of RMIC's Market Classifications](#)
- Quick Reference Underwriting Guidelines – January 1, 2009

RMIC's Mortgage Insurance Guidelines are available in electronic format at www.rmic.com. If you have any questions regarding RMIC's guidelines, please contact your RMIC Account Manager at 800-999-7642.

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RMIC 3Q08 Market Classification Changes

Effective 12/19/08

State	Core Based Statistical Area (CBSA)	2Q08 Market Status	3Q08 Market Status
AK	Fairbanks	Enhanced Declining	Standard Declining
AL	Dothan	Standard Declining	Stable
AL	Gadsden	Enhanced Declining	Stable
AL	Montgomery	Stable	Enhanced Declining
AR-MO	Fayetteville-Springdale-Rogers	Enhanced Declining	Standard Declining
AZ	Yuma	Enhanced Declining	Standard Declining
CO	Colorado Springs	Enhanced Declining	Standard Declining
CO	Denver-Aurora	Stable	Enhanced Declining
CO	Fort Collins-Loveland	Stable	Enhanced Declining
CO	Greeley	Enhanced Declining	Standard Declining
CO	Pueblo	Stable	Standard Declining
CT	Bridgeport-Stamford-Norwalk	Enhanced Declining	Standard Declining
CT	Hartford-West Hartford-East Hartford	Enhanced Declining	Standard Declining
CT	New Haven-Milford	Enhanced Declining	Standard Declining
CT	Norwich-New London	Enhanced Declining	Standard Declining
DE	Dover	Stable	Enhanced Declining
FL	Panama City-Lynn Haven	Enhanced Declining	Standard Declining
GA	Albany	Stable	Standard Declining
GA	Athens-Clarke County	Stable	Standard Declining
GA	Atlanta-Sandy Springs-Marietta	Stable	Standard Declining
GA	Dalton	Stable	Standard Declining
GA	Macon	Enhanced Declining	Stable
GA	Savannah	Stable	Enhanced Declining
GA	Valdosta	Stable	Standard Declining
GA	Warner Robins	Stable	Standard Declining
GA-AL	Columbus	Stable	Enhanced Declining
IA	Ames	Stable	Enhanced Declining
IA	Des Moines-West Des Moines	Enhanced Declining	Standard Declining
IA	Dubuque	Stable	Enhanced Declining
IA	Iowa City	Enhanced Declining	Standard Declining
IA-IL	Davenport-Moline-Rock Island	Stable	Enhanced Declining
IA-NE-SD	Sioux City	Stable	Standard Declining
ID	Coeur d'Alene	Enhanced Declining	Standard Declining
ID	Idaho Falls	Stable	Enhanced Declining
ID	Pocatello	Stable	Enhanced Declining
ID-WA	Lewiston	Enhanced Declining	Stable
IL	Chicago-Naperville-Joliet	Enhanced Declining	Standard Declining
IL	Danville	Stable	Standard Declining
IL	Rockford	Stable	Enhanced Declining
IL	Springfield	Stable	Enhanced Declining
IL-WI	Lake County-Kenosha County	Enhanced Declining	Standard Declining
IN	Columbus	Stable	Standard Declining
IN	Elkhart-Goshen	Stable	Standard Declining
IN	Gary	Stable	Enhanced Declining
IN	Kokomo	Stable	Standard Declining
IN	Lafayette	Stable	Enhanced Declining
IN	Michigan City-La Porte	Stable	Standard Declining

State	Core Based Statistical Area (CBSA)	2Q08 Market Status	3Q08 Market Status
IN	Terre Haute	Stable	Standard Declining
IN-MI	South Bend-Mishawaka	Stable	Enhanced Declining
KS	Lawrence	Stable	Enhanced Declining
KS	Topeka	Enhanced Declining	Stable
KY	Elizabethtown	Stable	Standard Declining
KY	Owensboro	Stable	Enhanced Declining
KY-IN	Louisville-Jefferson County	Stable	Enhanced Declining
LA	Houma-Bayou Cane-Thibodaux	Stable	Enhanced Declining
LA	Lafayette	Stable	Enhanced Declining
LA	New Orleans-Metairie-Kenner	Enhanced Declining	Standard Declining
MA	Boston-Quincy	Enhanced Declining	Standard Declining
MA	Cambridge-Newton-Framingham	Enhanced Declining	Standard Declining
MA	Peabody	Enhanced Declining	Standard Declining
MA	Pittsfield	Enhanced Declining	Standard Declining
MA	Springfield	Enhanced Declining	Standard Declining
MD	Baltimore-Towson	Enhanced Declining	Standard Declining
MD	Salisbury	Standard Declining	Enhanced Declining
MD-WV	Hagerstown-Martinsburg	Enhanced Declining	Standard Declining
ME	Bangor	Stable	Enhanced Declining
MI	Battle Creek	Enhanced Declining	Standard Declining
MI	Grand Rapids-Wyoming	Enhanced Declining	Standard Declining
MI	Holland-Grand Haven	Enhanced Declining	Standard Declining
MI	Jackson	Enhanced Declining	Standard Declining
MI	Lansing-East Lansing	Enhanced Declining	Standard Declining
MI	Niles-Benton Harbor	Stable	Standard Declining
MI	Saginaw-Saginaw Township North	Enhanced Declining	Standard Declining
MN	Rochester	Stable	Standard Declining
MN	St. Cloud	Stable	Enhanced Declining
MN-WI	Duluth	Stable	Enhanced Declining
MN-WI	Minneapolis-St. Paul-Bloomington	Enhanced Declining	Standard Declining
MO	Joplin	Stable	Standard Declining
MO	Springfield	Stable	Enhanced Declining
MO-IL	St. Louis	Stable	Enhanced Declining
MO-KS	Kansas City	Stable	Standard Declining
MO-KS	St. Joseph	Stable	Standard Declining
MS	Gulfport-Biloxi	Stable	Standard Declining
MS	Hattiesburg	Stable	Standard Declining
MS	Jackson	Stable	Standard Declining
MS	Pascagoula	Enhanced Declining	Standard Declining
MT	Missoula	Stable	Enhanced Declining
NC	Burlington	Stable	Standard Declining
NC	Jacksonville	Enhanced Declining	Stable
NC	Wilmington	Stable	Enhanced Declining
NC	Winston-Salem	Stable	Standard Declining
ND-MN	Grand Forks	Enhanced Declining	Standard Declining
NE	Lincoln	Stable	Enhanced Declining
NE-IA	Omaha-Council Bluffs	Stable	Enhanced Declining
NH	Manchester-Nashua	Enhanced Declining	Standard Declining
NH	Rockingham County-Strafford County	Enhanced Declining	Standard Declining
NJ	Atlantic City	Enhanced Declining	Standard Declining
NJ	Ocean City	Enhanced Declining	Standard Declining
NJ	Trenton-Ewing	Enhanced Declining	Standard Declining

State	Core Based Statistical Area (CBSA)	2Q08 Market Status	3Q08 Market Status
NJ	Vineland-Millville-Bridgeton	Stable	Enhanced Declining
NM	Albuquerque	Stable	Enhanced Declining
NM	Farmington	Stable	Standard Declining
NM	Santa Fe	Enhanced Declining	Standard Declining
NY	Albany-Schenectady-Troy	Stable	Enhanced Declining
NY	Glens Falls	Stable	Enhanced Declining
NY	Kingston	Stable	Standard Declining
NY	Poughkeepsie-Newburgh-Middletown	Enhanced Declining	Standard Declining
NY	Rochester	Stable	Enhanced Declining
NY	Utica-Rome	Stable	Enhanced Declining
NY-NJ	New York-White Plains-Wayne	Enhanced Declining	Standard Declining
OH	Akron	Stable	Standard Declining
OH	Canton-Massillon	Enhanced Declining	Standard Declining
OH	Cleveland-Elyria-Mentor	Enhanced Declining	Standard Declining
OH	Columbus	Stable	Standard Declining
OH	Dayton	Stable	Enhanced Declining
OH	Lima	Enhanced Declining	Standard Declining
OH	Mansfield	Enhanced Declining	Standard Declining
OH	Sandusky	Stable	Standard Declining
OH	Springfield	Stable	Standard Declining
OH-PA	Youngstown-Warren-Boardman	Stable	Standard Declining
OK	Lawton	Stable	Standard Declining
OR	Eugene-Springfield	Enhanced Declining	Standard Declining
OR	Salem	Enhanced Declining	Standard Declining
OR-WA	Portland-Vancouver-Beaverton	Enhanced Declining	Standard Declining
PA	Harrisburg-Carlisle	Stable	Enhanced Declining
PA	Lancaster	Stable	Enhanced Declining
PA	Philadelphia	Stable	Standard Declining
PA	Reading	Stable	Standard Declining
PA	Scranton--Wilkes-Barre	Stable	Enhanced Declining
PA	Williamsport	Stable	Enhanced Declining
PA-NJ	Allentown-Bethlehem-Easton	Enhanced Declining	Standard Declining
SC	Anderson	Stable	Standard Declining
SC	Sumter	Standard Declining	Stable
TN	Cleveland	Stable	Enhanced Declining
TN	Jackson	Enhanced Declining	Standard Declining
TN	Morristown	Stable	Enhanced Declining
TN-GA	Chattanooga	Stable	Enhanced Declining
TN-MS-AR	Memphis	Stable	Enhanced Declining
TX	Corpus Christi	Stable	Enhanced Declining
TX	El Paso	Stable	Enhanced Declining
TX	Killeen-Temple-Fort Hood	Enhanced Declining	Stable
TX	McAllen-Edinburg-Mission	Enhanced Declining	Stable
TX	Tyler	Stable	Enhanced Declining
TX	Waco	Enhanced Declining	Stable
TX	Wichita Falls	Enhanced Declining	Standard Declining
UT	Ogden-Clearfield	Stable	Enhanced Declining
UT	Provo-Orem	Enhanced Declining	Standard Declining
UT	Salt Lake City	Stable	Enhanced Declining
VA	Charlottesville	Standard Declining	Enhanced Declining
VA	Danville	Stable	Standard Declining
VA	Harrisonburg	Stable	Standard Declining

State	Core Based Statistical Area (CBSA)	2Q08 Market Status	3Q08 Market Status
VT	Burlington-South Burlington	Stable	Enhanced Declining
WA	Bellingham	Enhanced Declining	Standard Declining
WA	Bremerton-Silverdale	Enhanced Declining	Standard Declining
WA	Mount Vernon-Anacortes	Standard Declining	Enhanced Declining
WA	Olympia	Enhanced Declining	Standard Declining
WA	Seattle-Bellevue-Everett	Enhanced Declining	Standard Declining
WA	Spokane	Stable	Enhanced Declining
WA	Tacoma	Enhanced Declining	Standard Declining
WA	Wenatchee	Stable	Standard Declining
WI	Appleton	Stable	Standard Declining
WI	Eau Claire	Stable	Enhanced Declining
WI	Fond du Lac	Stable	Standard Declining
WI	Green Bay	Stable	Standard Declining
WI	Janesville	Stable	Standard Declining
WI	Madison	Stable	Standard Declining
WI	Milwaukee-Waukesha-West Allis	Stable	Standard Declining
WI	Racine	Enhanced Declining	Standard Declining
WI	Sheboygan	Enhanced Declining	Standard Declining
WI	Wausau	Stable	Enhanced Declining
WI-MN	La Crosse	Stable	Enhanced Declining
WV-OH	Weirton-Steubenville	Stable	Standard Declining
WV-OH	Wheeling	Stable	Standard Declining
WY	Casper	Stable	Enhanced Declining