



What's New in This Release?

RMIC is announcing several modifications to our eligibility guidelines and providing an update to our market classifications. Additionally, RMIC is releasing an updated Mortgage Insurance Application to collect origination channel designations in support of RMIC's previously released Non-Retail guidelines.

Included in this release:

- Current Market Classifications Retained for 2Q09 [Effective immediately]
- 4506 Transcripts Required for All Loans [Effective September 1, 2009]
- Nontraditional Credit Guideline Change [Effective July 1, 2009]
- Revised Mortgage Insurance Application [Effective July 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).

Current Market Classifications Retained for 2Q09

During the fourth quarter of 2008 and first quarter of 2009 foreclosure moratoria were put in place by the GSEs, lenders, and some states. RMIC supported these efforts to allow servicers and borrowers more time to modify their loans, enabling borrowers to improve their loan terms and remain in their homes. However, these moratoria artificially suspended the progression of foreclosures, altering the number of homes for sale and leading to distorted home price metrics for the period. In light of this, RMIC is not making any changes to our market classifications that were announced on March 3rd. The current market classifications will remain in place for at least another quarter.

RMIC is also updating its Declining Markets Policy to reflect that in addition to the appraisal, the lender's list, or the FHFA Home Price Appreciation data indicating a declining market, RMIC may classify a market as declining or change its classification based on additional factors relevant to that particular market.

4506 Transcripts Required for All Loans

RMIC is implementing a new 4506 transcript policy consistent with a number of recent Investor announcements and prudent income underwriting practices of leading Lenders. Effective with all loans delivered on or after **September 1, 2009**, a completed and signed Form 4506-T (Form 4506 or Form 8821 may be used in lieu of Form 4506-T) is required to be obtained from all borrowers covering the most recent two years of tax returns.

In addition, prior to closing, the 4506-T transcript(s) for the most recent one year period must be obtained from the IRS (or designee) and used to validate the income documentation provided by the borrower(s). If the loan is sent to RMIC for underwriting or auditing purposes, the file submission must include the 4506-T and the transcript(s) from the IRS.

Any discrepancies between the Loan File income documentation and the 4506-T transcript information must be appropriately explained and documented. The completed and signed 4506-T (or 4506 or Form 8821), the transcript(s) received back from the IRS, and any subsequent explanation or documentation of discrepancies must be permanently retained in the Loan File.

Nontraditional Credit Guideline Change

Effective **July 1, 2009**, RMIC will no longer insure loans with Nontraditional Credit. A loan is considered to have Nontraditional Credit if any borrower on the loan does not have a minimum of three trade lines in existence for at least 12 months or a valid credit score cannot be derived.

Revised Mortgage Insurance Application

As a follow-up to RMIC's Non-Retail guidelines implemented in March, we are introducing a revised [Mortgage Insurance Application](#). The new application includes checkboxes to indicate whether a loan qualifies as Retail or Non-Retail, according to RMIC's Retail definition (see below). The application also includes fields to provide the company name and address of the originator (if other than the Insured). RMIC's [Contract Services Order Form](#) has also been revised and is available on www.rmic.com. The revised applications should be submitted to RMIC beginning **July 1, 2009**. To order a supply of new MI Sticker Applications, contact your RMIC Account Manager or RMIC's Customer Service Center at 800.999.7642.

Mortgage Insurance Application		Loan Submission Fax Numbers: 877-764-2669 (Delegated or Easy 102®) 800-250-3503 (All other loans)	
<input type="checkbox"/> Delegated <input type="checkbox"/> Easy 102® <input type="checkbox"/> Full Package <input type="checkbox"/> Modification-RMIC Cert #		RMIC Master Policy # _____ Originated by: <input type="checkbox"/> Retail® <input type="checkbox"/> Non-Retail	
Mortgage Insurance <input type="checkbox"/> Borrower-Paid MI <input type="checkbox"/> Lender-Paid MI Coverage: <input type="checkbox"/> FNMA/FHLMC standard coverage <input type="checkbox"/> Financed <input type="checkbox"/> Other _____ % <input type="checkbox"/> Base Loan Amount \$ _____		Insured's Name: _____ Complete if Originator is other than Insured. Address: Originator's Name: _____ City, State, ZIP: _____	
Payment Option: <input type="checkbox"/> ZIP® Monthly <input type="checkbox"/> Monthly <input type="checkbox"/> Annual <input type="checkbox"/> Single Premium Premium Refund: <input type="checkbox"/> Refund <input type="checkbox"/> No Refund		Loan Information Doc Type: <input type="checkbox"/> Full/Alt <input type="checkbox"/> Doc Waiver ⁴ <input type="checkbox"/> Other: <input type="checkbox"/> 3/2 Loan <input type="checkbox"/> Interest Only (Period: _____ years) <input type="checkbox"/> Affordable Housing <input type="checkbox"/> Manufactured Home Lender Program Code/Name: _____	
Plan Type: <input type="checkbox"/> Monthlies/ZIP® Monthlies <input type="checkbox"/> Steady Annuals <input type="checkbox"/> Singlemax Plus <input type="checkbox"/> A-Minus ³ <input type="checkbox"/> State HFA <input type="checkbox"/> LPMI preferred® <input type="checkbox"/> Other: _____		Property: <input type="checkbox"/> Detached <input type="checkbox"/> Attached <input type="checkbox"/> Single Family <input type="checkbox"/> PUD <input type="checkbox"/> Townhouse Units: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> Condo <input type="checkbox"/> Co-op <input type="checkbox"/> Other: _____	
Renewal Type: <input type="checkbox"/> Level <input type="checkbox"/> Outstanding Balance <input type="checkbox"/> Single or One Time		If submitting the FNMA 1008/FHLMC 1077: Seller Contribution \$ _____ Self-Employed: Brwr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 Intends to Occupy: Brwr <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 If submitting the FNMA 1003/FHLMC 65: Appraised Value \$ _____	
FICO & AUS² Information FICO required on all submission methods. <input type="checkbox"/> Nontraditional Credit Representative FICO Scores: Borrower 1: _____ Borrower 2: _____ Borrower 3: _____ Borrower 4: _____ Complete for Desktop Underwriter®/Loan Prospector®: <input type="checkbox"/> Eligible <input type="checkbox"/> Ineligible DL: <input type="checkbox"/> Approve <input type="checkbox"/> Refer <input type="checkbox"/> Refer w/Caution IV <input type="checkbox"/> Out of Scope EA Level <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 LP: <input type="checkbox"/> Accept <input type="checkbox"/> A-Minus <input type="checkbox"/> Caution Other Approved AUS System: _____ Result: _____		Non-Fixed Payment (if applicable) Index Value _____% Index Margin _____% Months to Initial Rate Change _____ Months to Subsequent Rate Change _____ <input type="checkbox"/> Potential Negative Amortization ⁵ Cap Per Initial Adjustment _____% Cap Per Subsequent Adjustment _____% Lifetime Cap _____% Temporary Buydown: <input type="checkbox"/> 1-0% <input type="checkbox"/> 2-1% <input type="checkbox"/> 3-2-1% <input type="checkbox"/> Other: _____ Term: _____ months Balloon Loan Term: _____ years	
HMDA Codes (page 2) Borrower 1: Race _____ Gender _____ Ethnicity _____ Borrower 2: Race _____ Gender _____ Ethnicity _____		Contact Person: _____ Date: _____ Phone # _____ Fax # _____ Email: _____ Signature of Insured's Authorized Representative/Agent: X	
Republic Mortgage Insurance Company Republic Mortgage Insurance Company of Florida Republic Mortgage Insurance Company of North Carolina		101 North Cherry Street • Winston-Salem, NC 27101 800.999.RMIC (7642) • www.rmic.com AD-5010 (4-09)	

Definition of Retail

In order for a loan to qualify as Retail, the same entity, with their own personnel, must perform all of the following functions:

- Originate and process; and
- Underwrite (contract underwriting or having the loan underwritten by the investor is permissible); and
- Fund and close in their own name; and
- Order mortgage insurance coverage under their own RMIC Master Policy

Loans must be funded from a warehouse line in the lender's name or using the lender's own funds. "Table-funded" loans are considered Non-Retail loans. The originating lender may sell or assign the closed loan to an aggregator or investor and still be considered Retail. A correspondent who performs all of the above functions is considered Retail.

RMIC's ELS® (Electronic Loan Submission) system will be updated at a later date to include the Retail/Non-Retail fields and instructions for use will be communicated in a future release.

Supporting Resources

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

- Release Notes – June 17, 2009
- RMIC's Revised Declining Markets Policy
- List of RMIC's Market Classifications
- RMIC's Quick Reference Underwriting Guidelines