



RMIC Introduces New Servicer Option for HARP

What's New in This Release?

RMIC is pleased to announce the introduction of a New Servicer option under our Recovery Assistance Program supporting the Home Affordable Refinance Program (HARP). The new option expands our existing program, which has been renamed Recovery Assistance Program: Same Servicer Option. The New Servicer Option was developed in response to the market need for more refinance options allowing borrowers to improve the terms of their mortgage financing and reduce their monthly mortgage payment obligations. **RMIC will accept submissions for the New Servicer option beginning August 3, 2009.**

On existing RMIC insured loans that qualify for the HARP New Servicer Option, RMIC provides Originators with the flexibility to sell HARP eligible loans to a different Servicer with relaxed LTV ratios, debt-to-income ratios (DTI), credit score restrictions, and occupancy and property type eligibility restrictions. In addition, loans under this program are not subject to RMIC's Declining Markets Policy.

With the introduction of the New Servicer Option, RMIC will also modify the guideline for allowable cash-back to the borrower under the "Same Servicer" option to be the same as the "New Servicer" option. Effective August 3, 2009, the policy for both programs will be:

- In addition to reasonable and customary closing costs, disbursement of cash to the borrower or any other payee cannot exceed \$250. Any additional cash-back, as identified on the HUD-1, must be applied as principal curtailment.

Qualifying Guidelines and New Financing Parameters

To be eligible for the HARP New Servicer Option under RMIC's Recovery Assistance Program, a loan must meet all of the following parameters:

Basic Qualifying Parameters

1. RMIC is the insurer of the existing loan, and
2. The new loan Servicer must be **different** than the current Servicer, and
For same Servicer transactions (where the existing Servicer or an affiliate directly or indirectly refinances the loan), RMIC offers a certificate modification program providing enhanced flexibilities and the capability to maintain the existing (and typically lower) premium rate.
3. The borrower(s) and property are the same as on the existing loan, and
4. The MI coverage percentage on the new loan does not exceed the coverage percentage on the existing RMIC certificate, and
5. The new loan improves the borrower's ability to repay the loan and has sustainable terms:
 - Fixed rate loan or ARM with a minimum of 5 years to the first adjustment
 - Fully amortizing or Interest Only with a minimum 10 years initial interest only period, and
6. In addition to reasonable and customary closing costs, disbursement of cash to the borrower or any other payee cannot exceed \$250. Any additional cash-back as identified on the HUD-1 must be applied as principal curtailment, and
7. Existing second or junior liens are not allowed to be rolled into the new first lien but may be re-subordinated

Eligible Occupancy, Property, and Documentation Types

All occupancy, property, and original documentation types are eligible for this program.

- 1-4 units, 2nd Homes, Investor properties, Attached properties/Condominiums, Manufactured Homes, and Jumbo loans are eligible
- Borrowers who originally used Reduced Documentation (i.e., SIVA, No Ratio, SISA, NINA, No Doc, etc.) and can now fully document their income, employment, assets, and funds available for closing are eligible

Documentation and Appraisal Requirements

The new loan must be fully underwritten and documented with new or updated documents per RMIC's standard underwriting guidelines (Section 201) regardless of any AUS recommendations or streamlined processing flexibilities. Additionally, a full Uniform Residential Appraisal Report with an interior and exterior inspection is required. In summary, this includes:

- Credit Report
- Acceptable income, employment, assets, and funds for closing verification
- Full URAR appraisal including interior and exterior inspections

Credit and Underwriting Parameters

- No minimum credit score
- 0x30 late mortgage payments for last 12 months (or life of loan if less than 12 months seasoned)
- Maximum DTI of 55% if the borrower's monthly mortgage payment is reduced. Otherwise, the maximum DTI is 41%
- Maximum LTV (based upon the new appraised value) of 105% [Maximum LTV is lower in some States as required by the State Insurance Department. Check state restrictions for LTVs > 100% for limitations related to allowable closing costs, prepaids, and property types.]

If a loan does not meet all of the above criteria it may still be eligible for our Recovery Assistance Program: Same Servicer Option or HAMP (Loan Modification) program.

Certificate Issuance

Under the HARP New Servicer Option of the Recovery Assistance Program, RMIC will issue a new certificate (versus a modified certificate under our Same Servicer Option). The new Insured will be responsible for the representations of the new refinanced loan.

Premium Rates

RMIC will apply current borrower-paid monthly premium rates and adjustments to loans submitted under this program, as shown in the special HARP New Servicer Option rate card published on RMIC.COM. This special rate card provides pricing for LTVs, credit scores, occupancy types, and property types that are not available in other rate cards. These expanded rates apply to this program only.

- [Recovery Assistance Program: HARP New Servicer Option Rate Card](#)

Ordering or Submitting a Loan for the HARP New Servicer Option

RMIC will be as flexible as possible in working with Lenders to process these refinances. At this time, RMIC will accept New Servicer submissions via faxed or uploaded MI Application (RMIC's LDU program). A special program code is required for proper identification and application of relaxed guidelines.

1. Fax or upload RMIC's Mortgage Insurance Application with "**HARP NEW**" written or typed into the **Lender Program Code** field.
 - RMIC automatically verifies the loan as currently insured by us (via social security number match)
 - Loan is referred out of system for special processing
 - If needed, RMIC contacts the Originator to verify the desired program and corresponding loan parameters
2. Generally within 24 hours, RMIC returns a new Commitment/Certificate reflecting the appropriate premium rate and terms of coverage.

RMIC is currently working on additional submission methods. Be sure to watch for future announcements as we approach the effective date of August 3.

Determining if RMIC is Current Insurer

There are several quick and easy ways to determine if a loan is insured by RMIC:

1. Check with the existing Servicer when obtaining the current unpaid principal balance
2. Email your request by sending the borrower's information (borrower name and property address) to <mailto:psmodificationgroup@rmic.com>
3. Call the RMIC Policy Servicing and Claims department at 1-800-884-7642

Program Support and Additional Resources

RMIC has setup a special [Recovery Assistance Program Resource Area](#) on RMIC.COM. This area includes all of the resources a Lender needs to process loans eligible for the HARP New Servicer Option. These include:

- This announcement (Release 2009-7)
- Recovery Assistance Program: HARP New Servicer Option Description and [FAQs](#)
- [Recovery Assistance Program: HARP New Servicer Option Rate Card](#)