



Revised Effective Date for Upcoming Changes

What's New in This Release?

RMIC recently announced changes to eligibility guidelines and documentation requirements. In this release, RMIC is delaying the effective date of three of the changes and making a correction to one of the changes.

The policies outlined in this release **supersede all existing waivers and negotiated guideline variances previously granted by RMIC, and apply regardless of the findings of any Automated Underwriting System (AUS).**

Effective Date Changes

On August 12, 2009, RMIC announced several modifications to our eligibility guidelines and documentation requirements to be consistent with recent Investor announcements [[Release Notes 2009-8](#)]. The changes announced in that release were to be effective on October 1, 2009. Due to differences in Investor implementation dates, RMIC is delaying the effective date of three of the changes. The following changes will be effective for all mortgage insurance applications submitted on or after **January 1, 2010**:

Maximum Age of Credit Documents:

- 90 days from the date the note is signed on existing properties
- 120 days from the date the note is signed on new construction
- 120 days from the date of conversion of a Construction-Permanent loan to permanent financing

Trailing Co-borrower Income:

- RMIC will no longer permit the use of projected income from a trailing co-borrower.

Reserve Requirements:

- Only 70% of the current value of the borrower's stocks, bonds, and mutual funds may be used to satisfy reserve requirements.
- Only 60% of the vested amount of retirement funds may be counted as reserves.

All other changes to eligibility guidelines and documentation requirements included in Release Notes 2009-8 will be effective for all mortgage insurance applications submitted on or after **October 1, 2009**. This includes:

- Maximum Age of Appraisals
- Qualifying Borrowers for ARM Loans and Buydowns
- Business Funds Used for Closing
- Documenting the Borrower's Earnest Money Deposit
- Additional Requirements for Tax Returns to Support Income Documentation
- Minimum PITI Reserve Requirements

Qualifying Borrowers for ARM Loans and Buydowns

Release Notes 2009-8 incorrectly stated that for ARMs with fixed periods of five or more years, borrowers must qualify at the greater of the note rate or fully indexed accrual rate. This requirement will actually apply to ARMs with fixed periods of five years or less.

Supporting Resources

The following materials will be posted to www.rmic.com to assist customers with underwriting and implementation of these changes:

- This announcement (Release Notes 2009-9)
- [Quick Reference Underwriting Guidelines](#) (Effective October 1, 2009)

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