

Genworth Mortgage Insurance Credit Policy Announcement August 2019 - Bulletin 2019-03

Underwriting Guideline Updates

Our *Underwriting Guidelines* have been updated to remove overlays from the Simply Underwrite[®] Guidelines and to align with recent GSE updates. The guideline changes and clarifications will be effective for MI applications received on or after August 5, 2019 unless otherwise specified.

Simply Underwrite[®] Guidelines:

- Investment Property
 - Credit scores per DU and LP with a minimum 620 credit score
- 3 – 4 Unit Properties
 - Maximum loan amount - FHFA High Cost
 - Credit scores per DU and LP with a minimum 620 credit score
- 2 Unit Properties – Clarifying the following:
 - Maximum 95% LTV – Agency Base Conforming
 - Maximum 85% LTV – FHFA High Cost

Standard Guidelines:

- Loan amounts > \$750,000
 - The initial ARM term for loan amounts > \$750,000 must be \geq 3 years for a primary residence

For additional miscellaneous updates and clarifications, refer to the attached Change Summary document for additional details.



YOU-CENTRIC SOLUTIONS THAT MATTER.

**Genworth Mortgage Insurance
Underwriting Guidelines Changes and Clarifications Summary
August 5, 2019**

The following guideline changes and clarifications will be effective for MI applications received on or after August 5, 2019 unless otherwise specified. The Underwriting Guidelines with complete details will be updated and available on our website, new.mi.genworth.com on August 5, 2019.

Topic	Old Guideline	New Guidelines
Investment Property	Simply Underwrite: Minimum 700 credit score	Simply Underwrite: Per DU & LP with a minimum 620 credit score
3 – 4 Unit Properties	Simply Underwrite: <ul style="list-style-type: none"> Maximum loan amount - FHFA High Cost to \$1,000,000 Minimum 700 credit score 	Simply Underwrite: <ul style="list-style-type: none"> Maximum loan amount - FHFA High Cost Per DU & LP with a minimum 620 credit score
2 Unit Properties	Simply Underwrite: Maximum 95% LTV - FHFA High Cost	Simply Underwrite: Clarifying the following: <ul style="list-style-type: none"> Maximum 95% LTV – Agency Base Conforming Maximum 85% LTV – FHFA High Cost
Loan amounts > \$750,000	Standard Guidelines: <ul style="list-style-type: none"> The initial ARM term for loan amounts \$750,001 - \$1,000,000 must be \geq 3 years for a primary residence The initial ARM term for loan amounts > \$1,000,000 must be \geq 5 years for a primary residence 	Standard Guidelines: The initial ARM term for loan amounts > \$750,000 must be \geq 3 years for a primary residence
Amortization/Loan Term	Simply Underwrite & Standard Guidelines: Not addressed	Simply Underwrite Maximum amortization/loan term is 30 years Standard Guidelines: Maximum amortization/loan term is 40 years <ul style="list-style-type: none"> Maximum amortization/loan term is 30 years for Manufactured Housing
Relocation Loans	Simply Underwrite and Standard Guidelines: Made subject to a transferred employee or a newly hired employee to finance a primary residence at a new location	Simply Underwrite and Standard Guidelines: An owner-occupied purchase money loan originated subsequent to an established employee relocation program to finance a primary residence at a new location.
Disaster Policy (Age of Documentation)	Simply Underwrite and Standard Guidelines: Not addressed	Simply Underwrite and Standard Guidelines: Genworth follows GSE age of documentation requirements for loans secured by properties in eligible disaster areas.

This summary is intended for reference only and is subject to the complete terms and conditions of Genworth's *Underwriting Guidelines*. In case of differences with this document, the *Underwriting Guidelines* will govern.

Simply Underwrite[®] Eligibility Recap

Simply Underwrite applies to eligible loans with a Desktop Underwriter[®] recommendation or Loan Product Advisor[®] risk classification. Contact your sales representative or the ActionCenter[®] at 800.444.5664 with any questions.

Effective August 5, 2019

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent ¹				
Property Type	Max LTV	Max Loan Amount	Min Credit Score	Max DTI ²
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing ³	97%	Agency Base Conforming	620	Per DU & Loan Product Advisor
	95%	FHFA High Cost		
2 units	95%	Agency Base Conforming		
	85%	FHFA High Cost		
3 units	95%	FHFA High Cost		
4 units	95%	FHFA High Cost		
Second Home – Purchase, Rate/Term Refinance and Construction-to-Permanent				
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing	90%	FHFA High Cost	620	Per DU & Loan Product Advisor
Investment Property – Purchase and Rate/Term Refinance				
Single family (detached & attached), Condominiums	85%	FHFA High Cost	620	Per DU & Loan Product Advisor

¹ Construction-to-Permanent is ineligible with property types other than single family (detached) or Manufactured Housing.

² Genworth utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

³ Manufactured Housing is eligible to a maximum LTV of 97% for MH Advantage loans.

Eligibility	In addition to Approve/Eligible and Accept/Eligible loans, the following GSE AUS recommendations or risk classifications may be eligible for Simply Underwrite: <ul style="list-style-type: none"> • Approve/Ineligible for HomePath[®] Property • See Simply Underwrite sections 4.1 and 6.1 in the <i>Underwriting Guidelines</i> for complete details • HomeReady[®] and Home Possible[®] are eligible for Simply Underwrite. For more information, see section 4.2 in our <i>Underwriting Guidelines</i>.
Exclusions from Simply Underwrite	<ul style="list-style-type: none"> • Fannie Mae High LTV Refinance Option and Freddie Mac Enhanced Relief Refinance MortgageSM • Lender-negotiated guideline variances, waivers or programs unless approved by Genworth. However, GSE published Renovation Mortgage Programs and cooperative share mortgages are eligible for Simply Underwrite.
Other Underwriting Requirements	<ul style="list-style-type: none"> • Genworth does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands • Follow Sections 4.1 and 6.1 Simply Underwrite requirements in our <i>Underwriting Guidelines</i> • Appraisal waivers are eligible when offered by DU for rate/term refinance transactions receiving a DU Approve/Eligible recommendation
Note	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits .

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Standard Guidelines Eligibility Recap

Standard Guidelines apply to loans that are not eligible for **Simply Underwrite**. Contact your sales representative or the ActionCenter® at 800.444.5664 with any questions.

Effective August 5, 2019

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent ²					
Property Type	Max LTV	Max Loan Amount	Min Credit Score	Max DTI	
				Delegated	Non-Delegated
Single family (detached & attached), Condominiums, Cooperatives	97%	\$500,000 ¹	620	50%	
	97%	\$700,000	720	45%	
	95%	\$750,000	620	50%	
Manufactured Housing	95%	\$500,000 ¹	620	50%	
2 units ²	95%	\$620,200	620	45%	50%
3 units ²	95%	\$749,650	700	45%	
4 units ²	95%	\$931,600	700	45%	
Primary Residence – Cash-Out Refinance					
Single family (detached & attached), Condominiums, Cooperatives	90%	\$500,000 ¹	700	45%	
	85%	\$500,000 ¹	620	45%	50%
	85%	\$750,000	720	45%	
Second Home – Purchase, Rate/Term Refinance and Construction-to-Permanent ²					
Single family (detached & attached), Condominiums, Cooperatives	90%	\$500,000 ¹	620	45%	50%
	90%	\$750,000	700	45%	
Manufactured Housing	90%	\$500,000 ¹	620	45%	50%
Second Home – Cash-Out Refinance					
Single family (detached & attached), Condominiums, Cooperatives	85%	\$750,000	740	45%	
Investment Property – Purchase and Rate/Term Refinance					
Single family (detached & attached), Condominiums	85%	\$750,000	700	45%	

¹ Maximum loan amounts in AK & HI are \$726,525 for 1 unit, \$930,300 for 2 units, \$1,124,475 for 3 units and \$1,397,400 for 4 units.

² Construction-to-Permanent is ineligible with property types other than Single family (detached) or Manufactured Housing.

Other Underwriting Requirements	<ul style="list-style-type: none"> Loans may be underwritten using delegated underwriting authority, as allowed, or submitted for Genworth underwriting Maximum cash-out amount: \$250,000 ARM loan types with initial fixed period less than 3 years are ineligible with 2 units; all ARM loan types are ineligible for 3-4 units.
Note	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits .

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Simply UnderwriteSM Eligibility Recap for Housing Finance Agencies

Simply Underwrite applies to eligible loans with a **Desktop Underwriter[®]** recommendation or **Loan Product Advisor[®]** risk classification. Contact your sales representative or the ActionCenter[®] at 800.444.5664 with any questions.

Effective August 5, 2019

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent ¹				
Property Type	Max LTV/CLTV	Max Loan Amount	Min Credit Score	Max DTI ²
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing ³	97% / 105%	Agency Base Conforming	620	Per DU & Loan Product Advisor
	95% / 105%	FHFA High Cost		
2 units	95% / 105%	Agency Base Conforming		
	85% / 105%	FHFA High Cost		
3 units	95% / 105%	FHFA High Cost		
4 units		FHFA High Cost		

¹ Construction-to-Permanent is ineligible with property types other than Single family (detached) or Manufactured Housing.

² Genworth utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

³ Manufactured Housing is eligible to a maximum LTV of 97% for MH Advantage loans.

Eligibility	In addition to Approve/Eligible and Accept/Eligible loans, the following GSE AUS recommendations or risk classifications are eligible for Simply Underwrite: <ul style="list-style-type: none"> Approve/Ineligible for HomePath[®] Property See Simply Underwrite sections 4.1 and 6.1 of the <i>Underwriting Guidelines</i> for complete details
Desktop Underwriter: HFA Preferred[™] or HomeReady[®]	<ul style="list-style-type: none"> Loan must be processed in DU[®] as either HFA Preferred[™] or HomeReady[®], according to Fannie Mae's directions Follow Fannie Mae's published program guidelines for HFA Preferred or HomeReady through DU and <i>Exclusions from Simply Underwrite for HFAs</i> found in this chart.
Loan Product Advisor: Home Possible[®], or HFA Advantage[®]	<ul style="list-style-type: none"> Loan must be processed in Loan Product Advisor with the applicable Home Possible[®], or HFA Advantage[®] offering identifiers Follow Freddie Mac's published Home Possible or HFA Advantage program guidelines and <i>Exclusions from Simply Underwrite for HFAs</i> found in this chart.
Eligibility Exclusions	<ul style="list-style-type: none"> Fannie Mae High LTV Refinance Option and Freddie Mac Enhanced Relief Refinance MortgageSM Lender-negotiated guideline variances, waivers or programs unless approved by Genworth. However, GSE published Renovation Mortgage Programs and cooperative share mortgages are eligible for Simply Underwrite.
Other Underwriting Requirements	<ul style="list-style-type: none"> Genworth does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands Follow sections 4.1 and 6.1 Simply Underwrite in our <i>Underwriting Guidelines</i> for complete details Appraisal waivers are eligible when offered by DU for rate/term refinance transactions receiving a DU Approve/Eligible recommendation.
Note	<i>References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits.</i>

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Standard Guidelines

Eligibility Recap for Housing Finance Agencies

Standard Guidelines apply to eligible loans that are not eligible for HFA Simply Underwrite. Contact your sales representative or the ActionCenter® at 800 444.5664 with any questions.

Effective August 5, 2019

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent ²					
Property Type	Max LTV/CLTV	Max Loan Amount ¹	Min Credit Score	Max DTI ³	
				Delegated	Non-Delegated
Single family (detached & attached), Condominiums, Cooperatives	97% / 105%	\$500,000 ¹	620	50%	
Manufactured Housing	95% / 105%	\$500,000 ¹	620	50%	
2 units ¹	95% / 105%	\$620,200	620	45%	50%
3 units ¹	95% / 105%	\$749,650	700	45%	
4 units ¹	95% / 105%	\$931,600	700	45%	

¹ Maximum loan amounts in AK & HI are \$726,525 for 1 unit, \$930,300 for 2 units and \$1,124,475 for 3 units and \$1,397,400 for 4 units.

² Construction-to-Permanent is ineligible with property types other than Single Family (detached) or Manufactured Housing.

³ Genworth utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

HFA Preferred or HomeReady	Follow Fannie Mae's published program guidelines for manually underwritten HFA Preferred or HomeReady loans
Home Possible or HFA Advantage Mortgages	Follow Freddie Mac's published Home Possible or HFA Advantage program guidelines for manual underwriting

For loans other than HomeReady, HFA Preferred or Home Possible or HFA Advantage that are eligible through an HFA program, follow the LTV/Loan Limit/Score eligibility grid above and the remaining guidelines below.

Documentation	Full documentation for credit, income, employment and assets
Minimum Borrower Contribution	<ul style="list-style-type: none"> • 1 unit & DTI ≤ 45%: 1% minimum borrower contribution • 1 unit & DTI > 45%: 3% minimum borrower contribution <p>Notes:</p> <ul style="list-style-type: none"> • Borrower's minimum contribution can be met by acceptable sources per GSE guidelines, including personal gifts, gifts of equity, donations from entities, funds from employer assistance programs and Community Seconds®/ Affordable Seconds®. • Sweat Equity is permitted for one-unit properties with a minimum 5% down payment. The borrower must contribute at least 3% of their own funds (2% sweat equity). The maximum LTV is 95% for HomeReady and Home Possible loans. (Genworth overlay for Home Possible loans.) • 2 - 4 units: Minimum 3% borrower contribution
Subordinate Financing	<ul style="list-style-type: none"> • Subordinate financing must meet Fannie Mae's Community Second or Freddie Mac's Affordable Seconds guidelines
Reserves	<ul style="list-style-type: none"> • 2 months reserves • Genworth underwrite: 0 months reserves are eligible for 1 unit with a score ≥ 660 and DTI ≤ 45% • For 2 - 4 units, reserves may not be gifted
Loan Type	<ul style="list-style-type: none"> • Fixed rate/fixed payment • Fully amortizing ARMs, with initial adjustments ≥ 5 yrs • Temporary buydowns (3-2-1 or 2-1 structures buydown structures permitted) • Ineligible: Balloons and ARM loan types for 3 - 4 unit properties
Valid Credit Score	<ul style="list-style-type: none"> • Minimum of three (3) tradelines / credit references, open or closed, that have been evaluated at least 12 months <ul style="list-style-type: none"> • Credit references may be a combination of tradelines, traditional or nontraditional credit • At least one borrower on the loan must have a valid credit score. See section 7.5 of <i>Underwriting Guidelines</i>.
Nontraditional Credit	Maximum 95%/105% LTV/CLTV. Max 41% DTI. 1 unit. Nontraditional credit must be underwritten by Genworth.
Standard Guidelines	<ul style="list-style-type: none"> • Applies to loans that are not eligible for Simply Underwrite, including manually underwritten loans without a GSE automated underwriting system recommendation/risk classification • May be underwritten as delegated, as allowed, or submitted for Genworth underwriting • Must meet the underwriting criteria found within our <i>Underwriting Guidelines</i>

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