

## Genworth Mortgage Insurance Credit Policy Announcement August 30, 2020 - Bulletin 2020-10

### This Credit Policy Bulletin addresses Genworth's Underwriting Guideline Updates.

Effective Sunday, **August 30, 2020**, our Underwriting Guidelines and systems were updated with changes to further clarify and simplify our guidelines. A few of the updates are highlighted below. All changes are effective for mortgage insurance applications received **on or after August 30, 2020**.

#### Simply Underwrite<sup>®</sup> update includes:

- Added the acceptance of Freddie Mac's Automated Collateral Evaluation (ACE). Appraisal waivers will be allowed when offered by LPA for rate/term refinance transactions receiving an LPA Accept Eligible recommendation.

#### Standard and Peak Portfolio<sup>SM</sup> Guideline updates include:

- Simplified guidelines to allow ARMs with an initial term  $\geq 1$  year for all loans except for the following:
  - Loan amounts > \$1,000,000 require a minimum 3 year initial ARM term
- Removed Pledged Assets guidelines as a standard product offering

Refer to the attached Change Summary and Eligibility Recap documents for additional details.

Please distribute this information to your organization. For assistance, contact your Genworth Representative or the ActionCenter<sup>®</sup> at 800 444.5664. As always, we appreciate your business.

**YOU-CENTRIC SOLUTIONS THAT MATTER.**



**Genworth Mortgage Insurance  
Underwriting Guidelines Changes and Clarifications Summary  
August 30, 2020**

The following guideline changes and clarifications will be effective for MI Applications received on or after August 30, 2020 unless otherwise specified. The Underwriting Guidelines with complete details will be updated and available on our website, [mi.genworth.com](http://mi.genworth.com) on August 30, 2020.

Topic	Old Guideline	New Guidelines
<b>Appraisal Waivers</b>	<b>Simply Underwrite Guidelines:</b> Appraisal waivers are eligible when offered by DU for rate/term refinance transactions receiving a DU Approve/Eligible recommendation and loans meeting Fannie Mae's Rural High-Needs appraisal waiver requirements.	<b>Simply Underwrite Guidelines:</b> Added the acceptance of Freddie Mac's Automated Collateral Evaluation (ACE). Appraisal waivers will be allowed when offered by LPA for rate/term refinance transactions receiving an LPA Accept/Eligible recommendation.
<b>Adjustable Rate Mortgage (ARM) Eligibility</b>	<b>Standard and Peak Guidelines:</b> ARM loan types vary based on loan attributes	<b>Standard and Peak Guidelines:</b> Simplified to allow ARMs with an initial term $\geq 1$ year for all loans except for the following: <ul style="list-style-type: none"> <li>• Loan amounts <math>&gt; \\$1,000,000</math> require a minimum 3 year initial ARM term</li> </ul>
<b>Manufactured Housing</b>	<b>Standard and Peak Guidelines:</b> Single-wide manufactured homes must be located in a GSE approved project	<b>Standard and Peak Guidelines:</b> Removed requirement for single-wide manufactured housing to be located in a GSE approved project
<b>Pledged Assets</b>	<b>Standard and Peak Guidelines:</b> Pledged Assets guidelines were included as a standard product broad offering	<b>Standard and Peak Guidelines:</b> Removed Pledged Assets guidelines as a standard product offering but may be requested on an exception basis
<b>Temporary Buydowns</b>	<b>Standard and Peak Guidelines:</b> Temporary buydown eligibility varies based on loan attributes	<b>Standard and Peak Guidelines:</b> Clarified temporary buydowns are ineligible for the following: <ul style="list-style-type: none"> <li>• Cash-out Refinances</li> <li>• Investment Property</li> <li>• Manufactured Housing</li> <li>• Loan amounts <math>&gt; \\$765,600</math> (<b>Standard</b>)</li> <li>• Loan amounts <math>&gt; \\$1,000,000</math> (<b>Peak</b>)</li> </ul>
<b>Non-traditional Credit</b>	<b>Peak Guidelines:</b> Eligibility Clarification	<b>Peak Guidelines:</b> Non-traditional credit eligible for loan amounts $\leq \$1,000,000$

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.

Genworth Mortgage Insurance underwriters include: Genworth Mortgage Insurance Corporation and Genworth Mortgage Insurance Corporation of North Carolina

# Simply Underwrite<sup>®</sup> Eligibility Recap

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

## Effective August 30, 2020

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>1</sup>				
Property Type	Max LTV/CLTV	Max Loan Amount	Min Credit Score	Max DTI <sup>2</sup>
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing <sup>3</sup>	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 <sup>1</sup>				
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%/NA	FHFA High Cost	620	Per DU & Loan Product Advisor

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

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

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

<b>Eligibility</b>	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"> <li>• Approve/Ineligible for HomePath<sup>®</sup> Property</li> <li>• See Simply Underwrite sections 4.1 and 6.1 in the <i>Underwriting Guidelines</i> for complete details</li> <li>• HomeReady<sup>®</sup> and Home Possible<sup>®</sup> are eligible for Simply Underwrite. For more information, see section 4.2 in our <i>Underwriting Guidelines</i>.</li> </ul>
<b>Exclusions from Simply Underwrite</b>	<ul style="list-style-type: none"> <li>• Fannie Mae High LTV Refinance Option and Freddie Mac Enhanced Relief Refinance Mortgage<sup>SM</sup></li> <li>• 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.</li> </ul>
<b>Other Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>• Genworth does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands</li> <li>• Follow Sections 4.1 and 6.1 Simply Underwrite requirements in our <i>Underwriting Guidelines</i></li> <li>• Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae's Rural High-Needs appraisal waiver requirements</li> </ul>
<b>Note</b>	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at <a href="#">FHFA Loan Limits</a> .

Desktop Underwriter<sup>®</sup>, DU<sup>®</sup>, HomePath<sup>®</sup> Properties, and HomeReady<sup>®</sup> are registered trademarks of Fannie Mae. Freddie Mac Enhanced Relief Refinance<sup>SM</sup> is a service mark of Freddie Mac. Home Possible<sup>®</sup> and Loan Product Advisor<sup>®</sup> are registered trademarks of Freddie Mac.

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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 30, 2020**

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>2</sup>				
Property Type	Max LTV/ CLTV	Max Loan Amount <sup>1</sup>	Min Credit Score	Max DTI <sup>3</sup>
Single family (detached & attached), Condominiums, Cooperatives	97%	\$765,600	620	50%
Manufactured Housing	95%	\$510,400	620	50%
2 units	95%	\$653,550	620	50%
3 units	95%	\$789,950	700	45%
4 units	95%	\$981,700	700	45%
Primary Residence – Cash-Out Refinance				
Single family (detached & attached), Condominiums, Cooperatives	90%/NA	\$510,400	700	45%
	85%/NA	\$510,400	620	50%
	85%/NA	\$765,600	720	45%
Second Home – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>2</sup>				
Single family (detached & attached), Condominiums, Cooperatives	90%	\$510,400	620	50%
	90%	\$765,600	700	45%
Manufactured Housing	90%	\$510,400	620	50%
Second Home – Cash-Out Refinance				
Single family (detached & attached), Condominiums, Cooperatives	85%/NA	\$765,600	740	45%
Investment Property – Purchase and Rate/Term Refinance				
Single family (detached & attached), Condominiums	85%/NA	\$765,600	700	45%
<b>Other Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>Loans may be underwritten using delegated underwriting authority, as allowed, or submitted for Genworth underwriting</li> <li>Maximum cash-out amount: \$250,000</li> </ul>			
<b>Note</b>	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at <a href="#">FHFA Loan Limits</a> .			

<sup>1</sup> Maximum loan amounts in AK & HI are \$765,600 for 1 unit, \$980,325 for 2 units and \$1,000,000 for 3-4 units.

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

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

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# Simply Underwrite® Eligibility Recap for Credit Unions

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 30, 2020

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>1</sup>				
Property Type	Max LTV/CLTV	Max Loan Amount	Min Credit Score	Max DTI <sup>2</sup>
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing <sup>3</sup>	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 <sup>1</sup>				
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%/NA	FHFA High Cost	620	Per DU & Loan Product Advisor

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

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

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

<b>Eligibility</b>	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"> <li>• Approve/Ineligible for HomePath® Property</li> <li>• See Simply Underwrite sections 4.1 and 6.1 in the <i>Underwriting Guidelines</i> for complete details</li> <li>• HomeReady® and Home Possible® are eligible for Simply Underwrite. For more information, see section 4.2 in our <i>Underwriting Guidelines</i>.</li> </ul>
<b>Exclusions from Simply Underwrite</b>	<ul style="list-style-type: none"> <li>• Fannie Mae High LTV Refinance Option and Freddie Mac Enhanced Relief Refinance Mortgage<sup>SM</sup></li> <li>• 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.</li> </ul>
<b>Other Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>• Genworth does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands</li> <li>• Follow Sections 4.1 and 6.1 Simply Underwrite requirements in our <i>Underwriting Guidelines</i></li> <li>• Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae's Rural High-Needs appraisal waiver requirements</li> </ul>
<b>Note</b>	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at <a href="#">FHFA Loan Limits</a> .

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# Standard Guidelines

## Eligibility Recap for Credit Unions

**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 30, 2020

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>2</sup>				
Property Type	Max LTV/CLTV	Max Loan Amount <sup>1</sup>	Min Credit Score	Max DTI <sup>3</sup>
Single family (detached & attached), Condominiums, Cooperatives	97%	\$765,600	620	50%
Manufactured Housing	95%	\$510,400	620	50%
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3 units	95%	\$789,950	700	45%
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Primary Residence – Cash-Out Refinance				
Single family (detached & attached), Condominiums, Cooperatives	90%/NA	\$510,400	700	45%
	85%/NA	\$510,400	620	50%
	85%/NA	\$765,600	720	45%
Second Home – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>2</sup>				
Single family (detached & attached), Condominiums, Cooperatives	90%	\$510,400	620	50%
	90%	\$765,600	700	45%
Manufactured Housing	90%	\$510,400	620	50%
Second Home – Cash-Out Refinance				
Single family (detached & attached), Condominiums, Cooperatives	85%/NA	\$765,600	740	45%
Investment Property – Purchase and Rate/Term Refinance				
Single family (detached & attached), Condominiums	85%/NA	\$765,600	700	45%
<b>Other Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>Loans may be underwritten using delegated underwriting authority, as allowed, or submitted for Genworth underwriting</li> <li>Maximum cash-out amount: \$250,000</li> </ul>			
<b>Note</b>	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at <a href="#">FHFA Loan Limits</a> .			

<sup>1</sup> Maximum loan amounts in AK & HI are \$765,600 for 1 unit, \$980,325 for 2 units and \$1,000,000 for 3-4 units.

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

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

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# Simply Underwrite<sup>SM</sup> Eligibility Recap for Housing Finance Agencies

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

Effective August 30, 2020

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>1</sup>				
Property Type	Max LTV/CLTV	Max Loan Amount	Min Credit Score	Max DTI <sup>2</sup>
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing <sup>3</sup>	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		

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

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

<b>Eligibility</b>	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"> <li>Approve/Ineligible for HomePath<sup>®</sup> Property</li> <li>See Simply Underwrite sections 4.1 and 6.1 of the <i>Underwriting Guidelines</i> for complete details</li> </ul>
<b>Desktop Underwriter: HFA Preferred<sup>™</sup> or HomeReady<sup>®</sup></b>	<ul style="list-style-type: none"> <li>Loan must be processed in DU<sup>®</sup> as either HFA Preferred<sup>™</sup> or HomeReady<sup>®</sup>, according to Fannie Mae's directions</li> <li>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.</li> </ul>
<b>Loan Product Advisor: Home Possible<sup>®</sup>, or HFA Advantage<sup>®</sup></b>	<ul style="list-style-type: none"> <li>Loan must be processed in Loan Product Advisor with the applicable Home Possible<sup>®</sup>, or HFA Advantage<sup>®</sup> offering identifiers</li> <li>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.</li> </ul>
<b>Eligibility Exclusions</b>	<ul style="list-style-type: none"> <li>Fannie Mae High LTV Refinance Option and Freddie Mac Enhanced Relief Refinance Mortgage<sup>SM</sup></li> <li>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.</li> </ul>
<b>Other Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>Genworth does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands</li> <li>Follow sections 4.1 and 6.1 Simply Underwrite in our <i>Underwriting Guidelines</i> for complete details</li> <li>Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae's Rural High-Needs appraisal waiver requirements</li> </ul>
<b>Note</b>	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at <a href="#">FHFA Loan Limits</a> .

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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 30, 2020

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent <sup>2</sup>				
Property Type	Max LTV/CLTV	Max Loan Amount <sup>1</sup>	Min Credit Score	Max DTI <sup>3</sup>
Single family (detached & attached), Condominiums, Cooperatives	97% / 105%	\$765,600	620	50%
Manufactured Housing	95% / 105%	\$510,400	620	50%
2 units	95% / 105%	\$653,550	620	50%
3 units	95% / 105%	\$789,950	700	45%
4 units	95% / 105%	\$981,700	700	45%

<sup>1</sup> Maximum loan amounts in AK & HI are \$765,600 for 1 unit, \$980,325 for 2 units and \$1,000,000 for 3-4 units.  
<sup>2</sup> Construction-to-Permanent is ineligible with property types other than Single Family (detached) or Manufactured Housing.  
<sup>3</sup> 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"> <li>1 unit &amp; DTI ≤ 45%: 1% minimum borrower contribution</li> <li>1 unit &amp; DTI &gt; 45%: 3% minimum borrower contribution</li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>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®.</li> <li>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).</li> <li>2 - 4 units: Minimum 3% borrower contribution</li> </ul>
Subordinate Financing	Subordinate financing must meet Fannie Mae's Community Second or Freddie Mac's Affordable Seconds guidelines
Reserves	<ul style="list-style-type: none"> <li>Purchase, 1-unit: 2 months</li> <li>2 - 4 units: 6 months</li> </ul>
Loan Type	<ul style="list-style-type: none"> <li>Fixed rate/fixed payment</li> <li>Fully amortizing ARMs, with initial adjustments ≥ 1 yr</li> <li>Temporary buydowns</li> <li>Ineligible: Balloons</li> </ul>
Valid Credit Score	<ul style="list-style-type: none"> <li>Minimum of three (3) tradelines / credit references, open or closed, that have been evaluated at least 12 months</li> <li>Credit references may be a combination of tradelines, traditional or nontraditional credit</li> <li>At least one borrower on the loan must have a valid credit score. See section 7.5 of Underwriting Guidelines.</li> </ul>
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"> <li>Applies to loans that are not eligible for Simply Underwrite, including manually underwritten loans without a GSE automated underwriting system recommendation/risk classification</li> <li>May be underwritten as delegated, as allowed, or submitted for Genworth underwriting</li> <li>Must meet the underwriting criteria found within our Underwriting Guidelines</li> </ul>

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