

## **Genworth Mortgage Insurance (Genworth) Credit Policy Announcement June 8, 2020 - Bulletin 2020-07**

### **Genworth's Response to the GSEs' Updated Guidance Related to COVID-19**

The GSEs released updated guidance on May 19<sup>th</sup> and May 28<sup>th</sup> related to COVID-19. Genworth will continue to align in support of the GSEs' temporary measures as communicated in the updated announcements. Genworth's alignment with these updates is effective as of the application dates indicated in the GSEs' communications.

The GSEs' updates address eligibility requirements for borrowers granted a COVID-19 related forbearance and requirements for borrowers using self-employment income to qualify. Some highlights of the updates are shown below, but refer to the links included for complete details.

#### **Eligibility for Borrowers Granted a COVID-19 Forbearance – May 19, 2020**

- **Temporary purchase and refinance eligibility requirements for borrowers with existing mortgages**
  - Describing requirements for a borrower to obtain a new mortgage loan to purchase or refinance a property
- **Documentation of Existing Mortgage Payment History**
  - Addressing the requirement for lenders to apply due diligence in reviewing the borrower's credit report to determine the status of all mortgage loans
  - Lenders remain responsible to ensure the loan file contains documentation to support the additional due diligence

#### **Requirements for Borrowers Using Self-Employment Income to Qualify – May 28, 2020**

- **Temporary requirements and guidance for Borrowers using self-employment income to qualify**
  - Requiring an audited year-to-date profit and loss statement; reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date; or
  - An unaudited year-to-date profit and loss statement signed by the Borrower reporting business revenue, expenses and net income up to and including the most recent month preceding the loan application date, and two business depository account(s) statements no older than the latest two months represented on the year-to-date profit and loss statement.
    - The lender must review the two most recent depository account statements to support and/or not conflict with the information presented in the current year-to-date profit and loss statement.

Links to the Updated GSE Communications Issued May 19, 2020 and May 28, 2020

Fannie Mae	Freddie Mac
<a href="#">Lender Letter LL-2020-03, Impact of COVID-19 on Originations</a>	<a href="#">Bulletin 2020-17 – Selling Guidance Related to COVID-19</a>
<a href="#">Lender Letter LL-2020-04, Impact of COVID-19 on Appraisals</a>	<a href="#">Bulletin 2020-19 – Selling Guidance Related to COVID-19</a>
<a href="#">Lender Letter LL-2020-06, Selling Loans in Forbearance due to COVID-19</a>	
<a href="#">COVID-19 FAQs – Updated June 3, 2020</a>	

Loans may be underwritten with these temporary measures and will **apply for all Genworth insured loans: Simply Underwrite<sup>SM</sup>, Standard, and Peak Portfolio<sup>SM</sup> Guidelines.**

**Notes:** *Genworth's acceptance of the GSEs' announced temporary measures does not waive our rights under the Master Policy. Lenders are also responsible to ensure each loan is in compliance to its investor's guidelines.*

We will continue to monitor for any GSE updates and will issue additional guidance as appropriate. 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.

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