



June 25, 2018

**Announcement 2018-5
Underwriting Guideline Update
Rate Reminder**

Underwriting Guideline Updates

Effective today, our *Underwriting Guidelines* have been updated to align with recent GSE changes for Manufactured Homes and Project Standards. **All changes are effective for mortgage insurance applications received on or after June 25, 2018.**

Simply UnderwriteSM Guidelines have been updated to support MH AdvantageTM Properties as per Fannie Mae Selling Guide Announcement [SEL-2018-05](#).

- Expanding maximum LTV/CLTV for manufactured housing to 97%/105% for DU loans receiving an Approve/Eligible recommendation

Simply UnderwriteSM and Standard Guideline changes in support of GSE Project Standards Updates include the following:

- Allowing single-entity ownership in projects with 21 or more units to 20%
- Increasing commercial space to 35%
- Removing reference to 2 - 4 Unit Condo Project review types. Lenders must still comply with GSE project review requirements for 2 – 4 Unit Projects.
 - Refer to *Fannie Mae Selling Guide Announcement [SEL-2018-05](#)* and *Freddie Mac [Bulletin 2018-5](#)* for complete details.

Genworth Standard Guideline Update

- Expanding Professional Program to allow Rate/Term Refinance transactions

Please see the attached LTV Recap and Change Summary documents for a complete list of changes. Refer to our *Underwriting Guidelines* for a comprehensive update on all changes and clarifications. The updated Underwriting Guideline Manual and supporting material are posted to our website.

Rate Reminder

The new Single Premium Non-Refundable BPMI and Split Premium Mortgage Insurance rates are available on Optimal Blue[®], your loan origination system integration, and Genworth's Rate Express[®]. All rates are subject to state approvals.

Please distribute this information to your organization. For assistance, contact your Genworth representative or the ActionCenter[®] at 800 444.5664. As always, we appreciate your business.

Let's help someone buy a house today.

Sincerely,

A handwritten signature in cursive script that reads "Anthony Guarino".

Anthony Guarino
Senior Vice President, Pricing and Credit Policy
Genworth U.S. Mortgage Insurance

**Genworth Mortgage Insurance
Underwriting Guidelines Changes and Clarifications Summary
June 25, 2018**

The following guideline changes and clarifications will be effective for MI applications received on or after June 25, 2018 unless otherwise specified. The Underwriting Guidelines with complete details will be updated and available on our website, new.mi.genworth.com on June 25, 2018.

Topic	Old Guideline	New Guidelines
Manufactured Housing Maximum LTV/CLTV	Simply Underwrite and Standard Guidelines: <ul style="list-style-type: none"> • Maximum LTV/CLTV for manufactured housing is 95%/95% for non-affordable loans • Maximum LTV/CLTV for manufactured housing is 95%/105% for Affordable Housing and HFA loans 	Simply Underwrite: <ul style="list-style-type: none"> • Maximum LTV/CLTV for manufactured housing is 97%/105% • Loans must receive a DU Approve/Eligible recommendation • There are no changes to Standard Guideline LTV/CLTV requirements for manufactured housing loans
Professional Program	Standard Guidelines: Purchase only transactions allowed	Standard Guidelines: Allow rate/term refinance transactions in addition to purchase transactions for the Professional Program
Condominium Project Review Types	Simply Underwrite and Standard Guidelines: Lenders must comply with GSE project review requirements for 2 – 4 Unit Projects	Simply Underwrite and Standard Guidelines: Removed reference to 2 – 4 Unit Project Review type to align with recent GSE policy updates
Cooperative Units Eligibility Requirements	Simply Underwrite and Standard Guidelines: Commercial space limited to no more than 25% of the project's square footage	Simply Underwrite and Standard Guidelines: Commercial space limited to no more than 35% of the project's square footage

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 UnderwriteSM 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 June 25, 2018

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent ²				
Property Type	Max LTV	Max Loan Amount	Min Credit Score	Max DTI
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing	97%	Agency Base Conforming	620	Per DU & Loan Product Advisor (DTI > 45% requires a minimum credit score of 700)
	95%	FHFA High Cost		
2 units	95%	Agency Base Conforming	720	45%
	85%	FHFA High Cost		
3 units ¹	95%	Agency Base Conforming		
4 units ¹	95%	Agency Base Conforming		
Second Home – Purchase, Rate/Term Refinance and Construction-to-Permanent ³				
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing	90%	FHFA High Cost	620	Per DU & Loan Product Advisor (DTI > 45% requires a minimum credit score of 700)
Investment Property – Purchase and Rate/Term Refinance				
Single family (detached & attached), Condominiums	85%	FHFA High Cost	700	45%

¹ Maximum loan amount in AK & HI is \$1,000,000 for 3 - 4 units.

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

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 Sections 4.1 and 6.1 in our <i>Underwriting Guidelines</i> for complete details
Exclusions from Simply Underwrite	<ul style="list-style-type: none"> • DU Refi Plus[™] & Freddie Mac Relief RefinanceSM – Open Access • Lender-negotiated guideline variances, waivers or programs unless approved by Genworth. However, Fannie Mae's published HomeStyle[®] Renovation Mortgages 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> • Property Inspection Waivers (PIWs) 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 June 25, 2018

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent ³					
Property Type	Max LTV	Max Loan Amount	Min Credit Score	Max DTI	
				Delegated	Non-Delegated
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing ¹	97% ¹	\$500,000 ²	620 ⁴	50% ⁴	
	97% ¹	\$700,000	720	45%	
Single family (detached & attached), Condominiums, Cooperatives	90%	\$700,000 or FHFA in HI	620 ⁴	45%	50% ⁴
	95%	\$700,000	660	45%	
2 units ²	95%	\$580,150	620 ⁴	45%	50% ⁴
3 units ²	95%	\$701,250	720	45%	
4 units ²	95%	\$871,450	720	45%	
Primary Residence – Cash-Out Refinance					
Single family (detached & attached), Condominiums, Cooperatives	85%	\$500,000 ²	620 ⁴	45%	50% ⁴
	85%	\$700,000	740	38%	
Second Home – Purchase, Rate/Term Refinance and Construction-to-Permanent ³					
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing ¹	90%	\$500,000 ²	620 ⁴	45%	50% ⁴
	90%	\$700,000 or FHFA in HI	700	45%	
Second Home – Cash-Out Refinance					
Single family (detached & attached), Condominiums, Cooperatives	85%	\$700,000	740	41%	
Investment Property – Purchase and Rate/Term Refinance					
Single family (detached & attached), Condominiums	85%	\$700,000 or FHFA in HI	700	45%	

¹ Manufactured Housing is ineligible for 97% LTV and loan amount > \$500,000 except in AK and HI.

² Maximum loan amounts in AK & HI are \$679,650 for 1 unit, \$870,225 for 2 units and \$1,000,000 for 3-4 units.

³ Construction-to-Permanent is ineligible with property types other than Single family (detached) or Manufactured Housing or with loan amounts greater than \$850,000.

⁴ DTI > 45% requires a minimum credit score of 700.

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: \$200,000 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 June 25, 2018

Primary Residence – Purchase, Rate/Term Refinance and Construction-to-Permanent ²				
Property Type	Max LTV/CLTV	Max Loan Amount	Min Credit Score	Max DTI
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing	97% / 105%	Agency Base Conforming	620	Per DU & Loan Product Advisor (DTI > 45% requires a minimum credit score of 700)
	95% / 105%	FHFA High Cost		
2 units	95% / 105%	Agency Base Conforming		
	85% / 105%	FHFA High Cost		
3 units ¹	95% / 105%	Agency Base Conforming	720	45%
4 units ¹		Agency Base Conforming		

¹ Maximum loan amount in AK & HI is \$1,000,000 for 3-4 units.

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

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 4.2 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[®], Home Possible Advantage[®] or HFA Advantage[®]	<ul style="list-style-type: none"> Loan must be processed in Loan Product Advisor with the applicable Home Possible[®], Home Possible Advantage[®] or HFA Advantage[®] offering identifiers Follow Freddie Mac's published Home Possible, Home Possible Advantage or HFA Advantage program guidelines and <i>Exclusions from Simply Underwrite for HFAs</i> found in this chart.
Exclusions from Simply Underwrite	<ul style="list-style-type: none"> DU Refi Plus[™] & Freddie Mac Relief RefinanceSM – Open Access Lender-negotiated guideline variances, waivers or programs unless approved by Genworth. However, Fannie Mae's published HomeStyle[®] Renovation Mortgages and cooperative share mortgages, HFA Preferred and HFA Advantage 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 4.2 and 6.1 Simply Underwrite in our <i>Underwriting Guidelines</i> for complete details Property Inspection Waivers (PIWs) 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 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 June 25, 2018

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	
				Delegated	Non-Delegated
Single family (detached & attached), Condominiums, Cooperatives	97% / 105%	\$500,000 ¹	620 ³	50% ³	
Manufactured Housing	95% / 105%	\$500,000 ¹	620 ³	50% ³	
2 units ¹	95% / 105%	\$580,150	620 ³	45%	50% ³
3 units ¹	95% / 105%	\$701,250	720	45%	
4 units ¹	95% / 105%	\$871,450	720	45%	

¹ Maximum loan amounts in AK & HI are \$679,650 for 1 unit, \$870,225 for 2 units and \$1,000,000 for 3-4 units.

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

³ DTI > 45% requires a minimum credit score of 700.

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

For loans other than HomeReady, HFA Preferred or Home Possible, Home Possible Advantage 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>Note: 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®.</p> <ul style="list-style-type: none"> • 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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