

Qualified Mortgage (QM) Points and Fees

MI Plan Options

At Genworth Mortgage Insurance, we are making it simple for you to identify the mortgage insurance product that addresses your needs for Consumer Financial Protection Bureau (CFPB) requirements for the Points and Fees limit of 3% under QM. Please refer to the table below for a summary of Genworth’s premium plans and the impact on the calculation of points and fees.

Genworth Payment or Product Type	Excluded from Points and Fees Calculation	Notes and Considerations
All Borrower-Paid Monthly Premium	<input checked="" type="checkbox"/>	Periodic MI premiums, including any initial payment due at closing, are NOT included in points and fees calculation (per CFPB).
All Borrower-Paid Annual Premium	<input checked="" type="checkbox"/>	Periodic MI premiums, including any initial payment due at closing, are NOT included in points and fees calculation (per CFPB).
Borrower-Paid Split and Single Premium (Refundable)	<input checked="" type="checkbox"/> YES, up to 1.75%	Single and up-front Split Premiums up to the FHA premium rate (currently 1.75%), are excluded if the premium is refundable pro rata. Premiums above 1.75% are included in the points and fees calculation.
All Lender-Paid Plans (Monthly, Singles, and Split Premiums)	<input checked="" type="checkbox"/>	MI premium cost reflected in the Mortgage interest rate is not included in points and fees. APR to APOR test for high price loan would still apply.
Housing Finance Agency (HFA) Programs including Monthly and Single Premiums	<input checked="" type="checkbox"/>	QM rule exempts any premium charged for loans sold to a state agency.
Borrower-Paid Single Premium (Non-Refundable)	<input type="checkbox"/>	Non-Refundable single premium is included in points and fees.
Borrower-Paid Split Premium (Non-Refundable)	<input type="checkbox"/>	Non-Refundable portion of premium is included in points and fees calculation.



Frequently Asked Questions

What do I need to consider with Single Premiums?

Under the Qualified Mortgage rule, single premium private MI (up to the current FHA 1.75% premium amount) is excluded from points and fees only if the premium is refundable pro-rata upon satisfaction of the mortgage. However, the CFPB has not published any guidance on the meaning of pro-rata related to single premium private MI. Therefore, we recommend that lenders considering single premium MI carefully review the refund schedule to determine whether it satisfies generally understood definitions of pro-rata, otherwise you risk the entire single premium charge being included in points and fees. All non-refundable single premium MI and any refundable single premium in excess of the FHA premium amount is included in points and fees. The majority of loans with LTVs greater than 90% and credit scores less than 760 will have premiums greater than 1.75% that would be included in the points and fees calculation. Selecting a monthly or annual premium plan eliminates the complexity and risk of a possible single premium points and fees calculation error that may impact QM eligibility.

Why are the initial or up-front premiums for standard monthlies and annuals not included in the points and fees calculation?

Per guidance from the CFPB, all periodic MI premiums, including the initial periodic premium payable at closing, are not included in points and fees.

Why are HFA loans not subject to the same requirements?

The Qualified Mortgage rule exempts any premium for insurance charged by a State agency.

Additional Information

For additional information about Qualified Mortgages (QM), please refer to our *"Understanding Qualified Mortgage (QM) Final Rule from CFPB under Dodd-Frank"* publication. You can conveniently access this from our website mortgageinsurance.genworth.com.

When you're looking for an MI partner who makes your job easier and opens more doors for your borrowers, you can depend on Genworth. Please distribute this information to the appropriate contacts within your organization. And remember to contact your Genworth representative or the ActionCenter® at 800 444.5664 for additional information.

Important Legal Disclosure: The information included herein is not a legal opinion or legal advice. Lenders are cautioned to seek advice from their own legal counsel regarding the Qualified Mortgage requirements.