

## Genworth Mortgage Insurance Credit Policy & Servicing Announcement January 2019 - Bulletin 2019-01



### Response to Federal Government Shutdown

Genworth understands that the federal government shutdown which began on December 22, 2018 has impacted not only hundreds of thousands of government workers, but has created questions within the mortgage industry about the origination, processing and servicing of loans. These questions relate not only to conventional mortgages, but to other government insured programs, such as FHA and USDA.

#### Conventional Credit Policy Issues

We support the GSEs' (Fannie Mae and Freddie Mac) announced temporary measures for impacted borrowers employed by the federal government or other individuals whose employment is directly impacted by the shutdown. We expect our customers to utilize available third-party tools, follow up appropriately on AUS "red flags" and apply thoughtful underwriting to files where closing (and MI activation) will occur before the typical verifications will be received. The loan file should contain documentation to explain the absence of expected verifications as a result of the government shutdown.

If you have questions, please contact your Regional Underwriter.

#### Government Insured Loan Programs

If you have a government insured loan at risk of not closing due to the government shutdown, consider switching the loan to private mortgage insurance with Genworth. In many cases, the total borrower payment will be the same or better than the borrower would have received on a government loan. To compare MI pricing from Genworth, use Rate *Express*<sup>®</sup>, available online or through our mobile app!

Genworth accepts submission of appraisals originally ordered for an FHA loan through our Flow MI Only channel. Homebuyers with complete appraisals can move from an FHA loan to a conventional loan without ordering and paying for a new appraisal. Just submit your fully documented loan file to Genworth, with minimum credit score of 620, and let our team of seasoned underwriters determine if it meets our guidelines.

**Continued**

## **Servicing Issues Related To Government Shutdown**

Genworth remains committed to supporting our servicers during the government shutdown. We acknowledge that the shutdown may impact a borrower's ability to make scheduled mortgage payments.

### **Forbearance Plans:**

We support the GSEs' forbearance plan announcements. Forbearance plans for GSE and non-GSE loans are delegated up to six months. Servicers are required to report forbearance plan status using the MILAR Template as described in Section 7B of the [Default Management Servicing Guide](#).

If you have questions or concerns regarding how to handle issues related to loan workout activities such as forbearance plans or loan modifications, please contact the Homeowner Assistance Department at 800 455.0871 or [HOA@Genworth.com](mailto:HOA@Genworth.com).