



# **PLUS PROGRAM MANUAL**

## **Master Policy Plus & Delegated Plus Independent Validation**

## 1. ARCH MI'S PLUS PROGRAMS

Arch Mortgage Insurance Company (Arch MI) is committed to providing you with as many choices as possible to fill your mortgage insurance needs. To that end, 36-month Rescission Relief is provided automatically under our new Master Policy. For lenders who want 12-month Rescission Relief, we offer two Plus Programs: the Master Policy Plus program under which we provide 12-month Rescission Relief for non-delegated Loans, and the Delegated Plus program under which we offer 12-month Rescission Relief on delegated Loans. This Plus Program Manual provides information related to the delivery of Loans under both Plus Programs. The Plus Program Manual explains some of the terms and conditions included in the Master Policy Plus and Delegated Plus Underwriting Endorsements (the "Plus Endorsements").

## 2. STANDARD 36-MONTH RESCISSION RELIEF

Under our new First Lien Master Policy, 36-month Rescission Relief is automatically granted for Loan Quality and Property Value on all Loans insured by Arch MI which pass our First Thirty-Six Months Test. That means that after a Loan passes the test, we are only permitted to Rescind coverage if we have Credible Evidence of an intentional and knowing Material Misrepresentation by the lender or the lenders agents. To pass the First Thirty-Six Months Test, a Loan must meet the following requirements at 36 months following the date of the Borrower's first Loan payment:

- The Loan is not in Default;
- All Loan payments were made from the Borrower's Own Funds;
- There were no more than two 30-day late payments;
- There were no 60-day late payments; and
- There were no Forbearance Agreements or Modifications of the Loan

## 3. PLUS PROGRAM: 12-MONTH RESCISSION RELIEF

Under the Plus Programs, we offer 12-month Rescission Relief for Loan Quality and Property Value after the Borrower has made the First Twelve Loan Payments. To provide the 12-month Rescission Relief, Arch MI must have successfully completed an Independent Validation of Loan Quality and Property Value and the Loan must meet the following at 12-months from the first payment date:

- All Loan payments were made from the Borrower's Own Funds
- There are no 30-day late payments
- There were no forbearance agreements or modifications of the loan

In addition, any Loan audited as part of Arch MI's QC selection process that does not have any material findings will also be granted 12-Month Rescission Relief.

## 4. INDEPENDENT VALIDATION, LOAN QUALITY, AND PROPERTY VALUE

**Independent Validation** is defined as an independent review conducted by Arch MI and may include the following: a review of the borrower's credit report and final loan application, verifications of income, employment and assets; details of purchase or refinance, verification of the Origination Appraisal for compliance with collateral eligibility requirements to ensure that the estimate of value is adequately supported, the final HUD-1, documents showing satisfaction of all closing conditions, and a comparison of the post-close documents and data to the documents and data obtained by Arch MI prior to the Loan Closing Date. If during the review discrepancies, errors or questionable data is discovered, new information will be obtained to re-verify the accuracy and re-assess the eligibility of the Loan using reliable third-party sources.

**Loan Quality.** An Independent Validation of a Loan for Loan Quality is designed to confirm that there are no Origination Errors or Material Misrepresentations. To perform an Independent Validation for Loan Quality we will: (i) review the Borrower's credit report and final loan application form (Fannie Mae Form 1003/Freddie Mac Form 65) and verifications of income, employment, assets and details of purchase or refinance; and (ii) compare the Post-Close Documents and Data to the documents and data obtained by Arch MI that described the Loan prior to the Loan Closing Date to ensure the Loan delivered meets the criteria of the Loan originally expected.

**Property Value.** An Independent Validation of a Loan for Property Value is designed to confirm that there are no Material Value Variances. To perform an Independent Validation of Property Value we will verify the Origination Appraisal for compliance with Arch MI's collateral eligibility requirements to ensure that the estimate of value is adequately supported. We may use an appraisal, third-party automated valuation tool, or a value-related fraud detection tool, each of which must be recognized as reasonably reliable within the mortgage insurance industry.

## 5. REQUIREMENTS FOR 12-MONTH RESCISSION RELIEF

### Non Delegated Loans (Master Policy Plus Endorsement)

We issue the Master Policy Plus Endorsement to all Master Policy Holders. Under the endorsement, 12-Month Rescission Relief is available to all customers for Property Value and Loan Quality.

- **Property Value.** Arch MI will perform an Independent Validation for Property Value during the mortgage insurance underwriting process. That means you will automatically receive 12-Month Rescission Relief for Property Value on all non-delegated loans that are underwritten and approved by Arch MI.
- **Loan Quality.** Within 90 days of Loan Closing, you will need to submit documentation sufficient to demonstrate that the loan closed in accordance with the information supplied to us in the MI application (“Post-Close Documents and Data”). Arch MI will conduct a review of the Post-Close Documents and Data and if they are acceptable, you will receive a letter granting 12-Month Rescission Relief for Loan Quality (subject to the Borrower making the First Twelve Loan Payments). If you choose not to submit the Post-Close Documents and Data, you will receive 12-Month Rescission Relief for Property Value and 36-Month Rescission Relief for Loan Quality.

The required Post-Close Documents and Data are:

- Final, Signed Loan Application
- Final, Signed Closing Disclosure
- Other documents as reasonably required, such as Underwriting Conditions or documents received after the certificate was issued

### Delegated Loans (Delegated Plus Underwriting Endorsement)

The Delegated Plus Underwriting Endorsement is available upon request for all customers who have qualified for the Delegated Underwriting Endorsement. Under the Delegated Plus Underwriting Endorsement, 12-Month Rescission Relief is available for Loan Quality and Property Value. Customers must supply the full Loan Origination File and the Post-Close Documents, within 90 days of the Loan Closing. We will then perform an Independent Validation of Loan Quality and Property Value, and, if acceptable, you will receive a letter granting 12-Month Rescission Relief for Loan Quality and/or Property Value, subject to the Borrower making the First Twelve Loan Payments. If you do not deliver the Loan Origination File or the Post-Close Documents and Data within 90-days, you will receive 36-Month Rescission Relief for both Loan Quality and Property Value. If you do not deliver documents sufficient to permit us to complete Independent Validation for either Loan Quality or Property

Value within 90 days, you will receive 36-Month Rescission Relief on the subject matter for which we cannot complete Independent Validation. For more information on obtaining the Delegated Plus Endorsement, please contact Arch Mortgage Insurance Sales.

The required documents are:

- Final, Signed Loan Application (FNMA 1003)
- Borrower's Certification & Authorization
- Underwriting Transmittal (FNMA 1008)
- Final Loan Approval & conditions
- Appraisal
- Credit Report and all other credit documentation
- DU Findings/LP Findings, if applicable
- Employment & Income documentation (i.e. Verbal VOE, paystubs, W-2s, tax returns)
- Signed 4506 or 4506-T **OR** the transcripts or copies of the Borrower's tax returns obtained from IRS
- Asset Verification (i.e. bank statements, Verification of Deposit)
- Final, Signed Closing Disclosure
- Purchase Contract, if applicable
- Condominium documentation supporting warrantability, if applicable

**EZ Application (Applicable to Credit Unions only) and Contract Underwritten Loans**

Twelve-Month Rescission Relief provided by the Master Policy Plus endorsement is not generally extended to EZ Application or Contract Underwritten files. Should 12-Month Rescission Relief be requested, customers must supply the full Loan Origination File and Post-Close Documents within 90 days of the Loan Closing Date. We will then perform an Independent Validation of Loan Quality and Property Value, and, if acceptable, you will receive a letter granting 12-Month Rescission Relief for Loan Quality and/or Property Value, subject to the Borrower making the First Twelve Loan Payments. If you do not deliver the Loan Origination File or the Post-Close Documents and Data within 90-days, you will receive 36-Month Rescission Relief for both Loan Quality and Property Value. If you do not deliver documents sufficient to permit us to complete Independent Validation for either Loan Quality or Property Value within 90 days, you will receive 36-Month Rescission Relief on the subject matter for which we cannot complete Independent Validation.

The required documents are:

- Final, Signed Loan Application (FNMA 1003)
- Borrower's Certification & Authorization
- Underwriting Transmittal (FNMA 1008)

- Final Loan Approval & conditions
- Appraisal
- Credit Report and all other credit documentation
- DU Findings/LP Findings, if applicable
- Employment & Income documentation (i.e. Verbal VOE, paystubs, W-2s, tax returns)
- Signed 4506 or 4506-T **OR** the transcripts or copies of the Borrower’s tax returns obtained from IRS
- Asset Verification (i.e. bank statements, Verification of Deposit)
- Final, Signed Closing Disclosure
- Purchase Contract, if applicable
- Condominium documentation supporting warrantability, if applicable

## 6. Submitting Documents for the Plus Program Review

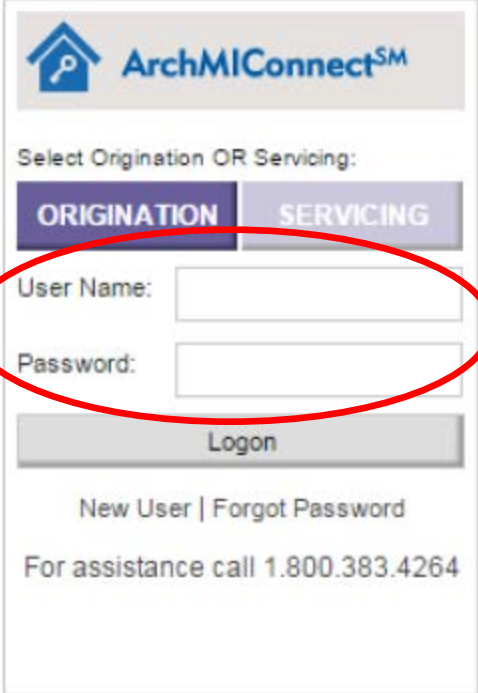
Within 90 days of loan closing, submit your Plus Program review documents to us. There are two ways to upload documents to us for this program; ArchMIConnect or FTP (File Transfer Protocol).

### Uploading via ArchMIConnect<sup>SM</sup> Origination

If you do not have a User ID and Password, go to our website and locate the ArchMIConnect<sup>SM</sup> Origination application. Select “New User” as illustrated below.

The screenshot shows the ArchMIConnect<sup>SM</sup> login interface. At the top is the logo with a house icon and the text 'ArchMIConnect<sup>SM</sup>'. Below the logo is the text 'Select Origination OR Servicing:'. There are two buttons: 'ORIGINATION' (highlighted with a red circle) and 'SERVICING'. Below these are input fields for 'User Name:' and 'Password:'. A 'Logon' button is positioned below the password field. At the bottom of the form area, there is a link 'New User | Forgot Password' with a red arrow pointing to it from the left. Below the link is the text 'For assistance call 1.800.383.4264'.

Once you have a User ID and Password, log into ArchMIConnect Origination and enter your User ID and Password and click the Logon button.



ArchMIConnect<sup>SM</sup>

Select Origination OR Servicing:

**ORIGINATION** SERVICING

User Name:

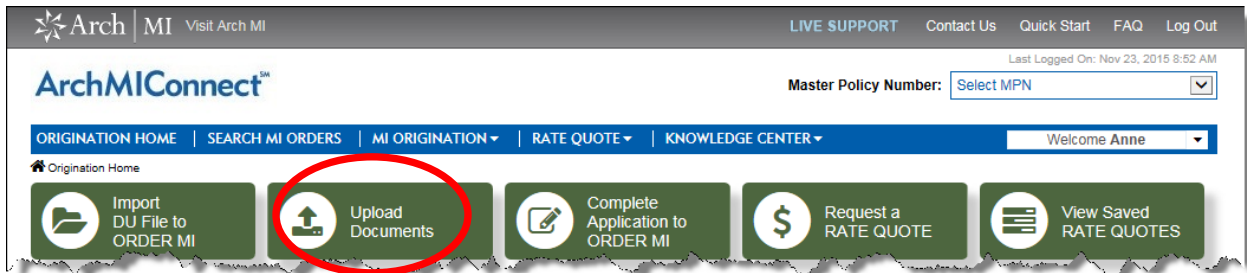
Password:

Logon

New User | Forgot Password

For assistance call 1.800.383.4264

On the Welcome Page, select "Upload Documents" from the quick links located at the top of the page.



Arch MI Visit Arch MI

LIVE SUPPORT Contact Us Quick Start FAQ Log Out

ArchMIConnect<sup>SM</sup> Master Policy Number:

Last Logged On: Nov 23, 2015 8:52 AM

ORIGINATION HOME | SEARCH MI ORDERS | MI ORIGINATION | RATE QUOTE | KNOWLEDGE CENTER | Welcome Anne

Origination Home

Import DU File to ORDER MI

Upload Documents

Complete Application to ORDER MI

Request a RATE QUOTE

View Saved RATE QUOTES

For Internet Explorer 9 and lower browsers:

The New Upload Page will appear. In **Step 1**, select Post-Close Independent Validation review

ArchMIConnect<sup>SM</sup> [Close\[X\]](#)

**New Upload** Upload Results

Contact  Phone No.  -  -

E-mail  Fax No.  -  -

**Step 1 - Indicate Purpose of Documents**

MI Underwriting

**Post-Close Independent Validation review** [Click here for more details](#)

Under the Arch MI Independent Validation, we will review certain pre- and post-closing documents to allow 12-month rescission relief to loans that qualify under the Master Policy Plus and Delegated Plus endorsements.

To see document requirements for **Master Policy Plus Endorsement**, [click here](#)

To see document requirements for **Delegated Plus Endorsement**, [click here](#)

For more details on Arch's Independent Validation, [click here](#).

**Step 2 - Provide Information and Upload Documents**

MI Cert/App #:  (Required) [?](#)

Master Policy Number:

Borrower SSN:

Lender Loan No.:

**LOOKUP MI CERTIFICATE/APPLICATION #**

Borrower First Name:

Borrower Last Name:



In **Step 2**, you are required to enter the MI Certificate number (your loan number and borrower information is optional). NOTE: If you do not have the MI Certificate number handy, you can use the **LOOKUP MI CERTIFICATE/APPLICATION #** button to search for your certificate number.

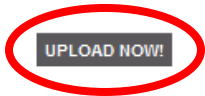
You are now ready to browse to upload the documents for review. Follow the next steps based on your internet browser.





In the final step, **Step 3**, simply click the Upload Now button.

**Step 3 - Submit Documents**



Once you have completed these 3 steps, your documents will be transmitted to us for review.

**Internet Explorer 10, 11 and Chrome browsers:**

The default selection for *Step 1 – Indicate Purpose of Documents* will be Existing MI Request, it is critical that you select **Post Close Independent Validation Review**. By doing so, your documents will automatically be routed to the proper queue at Arch for Independent Validation Review.

The form will refresh and update.

Complete the missing information for *Step 2 – Provide Information and Upload Documents*.

**\*Drag & Drop** or **Browse** for your files.

Click on the **START UPLOAD** button.

**ArchMIConnect** [Close\[X\]](#)

**New Upload** | Upload Results

Contact:  Phone No.:  -  -   
E-mail:  Fax No.:  -  -

**Step 1 - Indicate Purpose of Documents**

Post-Close Independent Validation review [Click here for more details](#)

**Step 2 - Provide Information and Upload Documents**

MI Cert/App #:  (Required) ?  
Master Policy Number:   
Borrower SSN:     
Lender Loan No.:   
  
Borrower First Name:   
Borrower Last Name:   
Message:

NOTE: Your message will be sent to our underwriting staff.

**Drag & Drop Files Here OR Click to Browse  
PDF and TIF Files Only - Limit 200 MB Total**

## Uploading via FTP (File Transfer Protocol)

To request a FTP upload process in lieu of using ArchMIConnect, [click here](#) to access the Secure File Transfer Sign Up Form. In the File Transfer Function section, select “Plus Validation (Rescission Relief)”, complete the entire form and then “Submit”. Arch will then be in contact to set up the site and to discuss the FTP document upload process.

## 7. Communication of Results

### COMMUNICATION OF RESULTS

Arch MI will review the file within a reasonable time frame, but in no instance will the review take longer than 6 months. We will send you a letter advising that we are granting early relief subject to the Borrower’s 12 timely payments. If early relief cannot be granted, we will send you an explanation for our decision.

## 8. Reconsideration

If you would like to request reconsideration of Arch MI’s decision, please provide a written appeal letter along with any supporting documentation to Arch MI at [plusreconsideration@archmi.com](mailto:plusreconsideration@archmi.com)

### CONTACT US

If you have any questions, please contact Arch MI Sales or email [plusvalidation@archmi.com](mailto:plusvalidation@archmi.com)

*The Plus Program Manual is intended to explain some of the terms and conditions included in the Master Policy Plus and Delegated Plus Underwriting Endorsements (the “Plus Endorsements”) to the Master Policy and to provide additional details regarding the delivery of Loans to Arch MI for coverage under the Plus Programs. Please read the Plus Endorsements carefully in conjunction with this Plus Program Manual. Please note that capitalized terms used in the Plus Program Manual, which are not defined in the Plus Program Manual, are defined in the Master Policy, or in the Plus Endorsements.*