

CREDIT RISK BULLETIN

#2-16-NR-AMGC

Program Change Summary – Arch Mortgage Guaranty Company

Arch Mortgage Guaranty Company (AMGC) is announcing changes to its Portfolio and Super Jumbo Program Guidelines.

Changes applicable to the entire document

- Reinstated Cooperative Housing Units (co-ops) as eligible property types in matrices and guidelines.
 - Added footnote to matrices indicating the co-op eligible states.
- Added Rehabilitation/Renovation eligibility requirements to match Construction-to-Permanent (CTP) requirements for both the Portfolio and Super Jumbo programs.
- Revised all references of LP[®] to Loan Product Advisor.[®]

Portfolio Program Eligibility Matrix

- Owner Occupied:
 - Added a 97% LTV/\$417,000/680 FICO/ 45% DTI segment.
 - Decreased FICO for the 95% LTV/\$625,500/45% DTI segment to 680.
 - Decreased FICO for the 90% LTV/\$625,500/45% DTI segment to 660.
- Investment:
 - Increased LTV for the \$625,500 segment to 90%.

Super Jumbo Eligibility Program Matrix

- Owner Occupied:
 - Increased DTI to 45% for the 95% LTV/\$850,000 segment.
 - Increased CTP loan amount to \$850,000.
- Second Homes:
 - Decreased FICO to 700 for the 90% LTV/\$650,000 segment.
 - Added CTP/Rehabilitation/Renovation for the 90% LTV/\$650,000 segment.

Program Guidelines

- Loan Purpose:
 - Purchase-Relocation:
 - Revised definition.



- Cash Out Refinance:
 - Removed as ineligible “properties constructed within the last 12 months.”
- Rehabilitation/Renovation:
 - Added section.
- Eligible Loan Type:
 - Revised Adjustable Rate Mortgage (ARM) caps:
 - ARMs with a fixed period ≥ 5 years: rate caps not to exceed 5% initial/annual and 6% lifetime.
- Minimum Down Payment:
 - Clarified Super Jumbo Program requirements, now match Portfolio Program requirements for loan amounts up to \$1MM; gifts not allowed $> \$1MM$.
- Conversion of Primary Residence:
 - Removed minimum 2 months reserve requirement.

Construction-to-Permanent (CTP) Guidelines

- Revised CTP definition.
- Loan Purpose and LTV:
 - Construction-Refinance:
 - Amended third bullet under CTP Refinance to indicate documented borrower paid expenses are not considered cash out.