

Medical and Dental Professionals Program

Effective June 1, 2020



Arch MI is pleased to offer expanded underwriting requirements for medical and dental professionals with high debt-to-income (DTI) ratios due to student loans and/or employment beginning post-closing when the following requirements are met.

90.01–100% LTV, LPMI Singles Reduced Coverage Program

MI Pricing and Coverages Available

- RateStarSM pricing, Lender-Paid MI (LPMI) Singles only.
 - Available Coverage:
 - 97.01–100% LTV – 12%.
 - 95.01–97% LTV – 8%.
 - 90.01–95% LTV – 6%.
 - MI coverage will be terminated by Arch MI upon the earlier of the scheduled or actual amortization of the loan amount down to an LTV less than 90%.
- Prior to participation in the program, the credit union must execute an acknowledgement form directing Arch MI to cancel coverage at the designated LTV level. Please contact your **Account Manager** to obtain the form.
- This program is not available for credit unions with home offices in the following states: AK, HI, NY, OH and WA.
- **This program is designed for portfolio credit unions only as the reduced coverage and early cancellation of coverage do not meet Agency MI requirements.**

General Information

- When submitting a loan for MI or requesting a rate, you **must** enter the program name: **Arch LPMI Medical Down to 90%**.
- Other than the DTI ratio or credit score variances indicated in the grid below, **no exceptions** to the following requirements are allowed.

LTV/Loan Amount/Credit Score/DTI Requirements

RateStar Pricing Only							
OCCUPANCY	TRANSACTION TYPE	PROPERTY TYPE	LTV	MAXIMUM LOAN AMOUNT	MINIMUM CREDIT SCORE ¹	MAXIMUM DTI ¹	PITIA RESERVES ²
Primary Residence (only)	Purchase and Rate/Term Refinance	1-Unit, SFD/SFA, Condos, Co-ops	97.01–100% ^{3,4} Non-Delegated Only	\$500,000	720	43%	2 Months
				\$500,001–\$750,000	740	43%	2 Months
			90.01–97%	\$500,000	660	45%	2 Months
				\$500,001–\$750,000	680	45%	2 Months
90.01–95%	\$750,001–\$850,000	700	45%	4 Months			

¹ The 5% DTI variance and 10-point credit score variance as addressed in section 3.03 of the Underwriting Manual are allowed for LTVs ≤ 97% only.

² See Additional Reserves below.

³ Pharmacists without a Pharm D and Chiropractors are ineligible for LTVs > 97%.

⁴ Construction-to-permanent loans and renovation loans are ineligible for LTVs > 97%.

This document provides an overview of the underwriting requirements for the Medical and Dental Professional Programs. Any underwriting requirement not mentioned within this document will defer to the Arch MI Standard Underwriting Requirements, see Section 3 of the Arch MI Credit Union Underwriting Manual.

Standard Program

General Information

- Both RateStar and Rate Card pricing are available for this program including:
 - Borrower-Paid MI (BPMI) and LPMI.
 - All coverage levels offered by Arch MI.
 - All plans offered by Arch MI, for example – monthly, annual, singles.
 - Available in all 50 states and the District of Columbia.
- When submitting a loan for MI or requesting a rate, you **must** enter the program name: **Arch Medical Program**.
- Other than the DTI ratio or credit score variances indicated in the grid below, **no exceptions** to the following requirements are allowed.

LTV/Loan Amount/Credit Score/DTI Requirements

RateStar and Rate Card Pricing							
OCCUPANCY	TRANSACTION TYPE	PROPERTY TYPE	MAXIMUM LTV	MAXIMUM LOAN AMOUNT	MINIMUM CREDIT SCORE ¹	MAXIMUM DTI ¹	PITIA RESERVES ²
Primary Residence (only)	Purchase or Rate/Term Refinance	1-Unit, SFD/SFA, Condos, Co-ops	97%	\$500,000	620	45%	2 Months
			90.01%–97%	\$500,001–\$750,000	680	45%	2 Months
			80.01–90%	\$500,001–\$750,000	620	45%	2 Months
			95%	\$750,001–\$850,000	700	45%	4 Months
			90%	\$850,001–\$1,000,000 ³	720	41%	6 Months
			85% Non-Delegated Only	\$1,000,001–\$1,500,000 ³	720	41%	6 Months

¹ The 5% DTI variance and 10-point credit score variance as addressed in section 3.03 of the Underwriting Manual are allowed for loan amounts ≤ \$850,000 only.

² See Additional Reserves below.

³ Construction-to-permanent loans and renovation loans are ineligible for loan amounts greater than \$850,000.

This document provides an overview of the underwriting requirements for the Medical and Dental Professional Programs. Any underwriting requirement not mentioned within this document will defer to the Arch MI Standard Underwriting Requirements, see Section 3 of the Arch MI Credit Union Underwriting Manual.

Additional Underwriting Requirements

ELIGIBLE PROFESSIONS

Members who are currently practicing (or who will begin practicing within 90 days of closing) one of the eligible professions below and meet all program requirements are eligible for the exclusion of deferred student loan payments from the DTI ratio calculation and/or employment to begin post-closing.

- Medical resident.
- Medical fellow.
- Medical doctor (MD).
- Doctor of Dental Surgery (DDS).
- Doctor of Dental Medicine (DMD).
- Doctor of Optometry (OD).
- Doctor of Ophthalmology (MD).
- Doctor of Podiatric Medicine (DPM).
- Doctor of Osteopathy (DO).
- Pharmacist (RPh).*
- Chiropractor (DC).**
- Doctor of Veterinary Medicine (DVM).

* A pharmacist must have a PharmD to be eligible for LTVs > 97%.

** Chiropractors are ineligible for LTVs > 97%.

STUDENT LOAN DEBT

- Student loan debt belonging to the member with the eligible profession may be excluded from the DTI calculation with documentation to evidence deferment or forbearance for at least 12 months after the MI application date. Student loan debt for all other members must be included in the DTI.
 - **Medical resident only:** Medical residents with a minimum of 6 months' residency remaining may use the alternative documentation listed below as evidence the student loan will be in deferment for at least 12 months:
 - Letter from employer verifying the medical resident's start date, or
 - Letter from the employer verifying at least 6 months' residency remaining.
- Maximum \$750,000 loan amount.
 - Minimum 740 credit score.
 - Maximum 41% DTI.
 - Fixed-rate/fixed-payment or ARMs greater than 5 years only.

ADDITIONAL RESERVES

- When employment begins **post-closing**, the following additional reserve requirement applies:
 - Reserves are required for each month after the Note date until employment begins.

OTHER REQUIREMENTS

- All members must have a credit score.
- Construction-to-permanent loans and renovation loans:
 - Maximum 97% LTV.
 - Maximum \$850,000 loan amount.
- **Ineligible:**
 - Desktop Underwriter® and Loan Product Advisor® documentation efficiencies. Manual documentation required.
 - Non-occupant members.
 - Subordinate financing.
 - EZ DecisioningSM requirements.
 - Manufactured homes.

POST-CLOSING EMPLOYMENT START DATE

Employment for the member with the eligible profession may begin up to 90 days after loan closing when:

- There is a non-contingent, fully executed (accepted) employment contract or offer letter documented in the loan file.
- There is a verbal Verification of Employment (VOE) conducted to confirm authenticity of the employment documentation prior to closing.

MINIMUM MEMBER CONTRIBUTION

- 3% for loans up to \$750,000. Not applicable for loans with an LTV 97.01–100%.
- 5% for loan amounts greater than \$750,000.
- Gifts/grants may be used to satisfy the minimum member contribution when all of the following are met:

This document provides an overview of the underwriting requirements for the Medical and Dental Professional Programs. Any underwriting requirement not mentioned within this document will defer to the Arch MI Standard Underwriting Requirements, see Section 3 of the Arch MI Credit Union Underwriting Manual.