



For Credit Unions

Refinance-to-Modification (Non-GSE)
High Loan-to-Value Refi (Fannie Mae)
Enhanced Relief Refi Mortgage
(Freddie Mac)

Effective 11.01.18

Refinance-to-Modification (Non-GSE) High Loan-to-Value Refinance (Fannie Mae) Enhanced Relief Refinance Mortgage (Freddie Mac)

Effective Nov. 1, 2018

Our refinance programs offer flexible options for members to take advantage of today's historically low interest rates, including those who would otherwise be prevented from refinancing due to their home's current market value.

The **Existing Loan** must meet the following criteria:

Non-GSE Requirements:

- Must currently be insured by Arch MI under an in-force certificate.
- The coverage percentage and premium rate remain unchanged.
- The member(s) and property are the same as on the Existing Loan.
- The loan is held in portfolio or by an investor other than the GSEs.
- The loan is current.

GSE Requirements:

- Owned or securitized by Fannie Mae or Freddie Mac.
- Has a note date on or after Oct. 1, 2017.

SEASONING

Non-GSE Requirements:

- No seasoning requirements.

GSE Requirements:

- At least 15 months must have passed from the note date of the Existing Loan to the note date of the New Loan.

LTV RATIOS

Occupancy Type	GSE	Units	Minimum LTV
Primary Residence	Fannie Mae and Freddie Mac	1 unit	97.01%
	Fannie Mae and Freddie Mac	2 units	85.01%
	Fannie Mae	3–4 units	75.01%
	Freddie Mac	3–4 units	80.01%
Second Home	Fannie Mae and Freddie Mac	1 unit	90.01%
Investment Property	Fannie Mae	1–4 units	75.01%
	Freddie Mac	1 unit	85.01%
	Freddie Mac	2–4 units	75.01%

Note: GSE
Fixed-Rate Mortgage, no maximum LTV/CLTV/HCLTV.
ARM Mortgage, maximum LTV 105%. No maximum CLTV/HCLTV.

Note: Non-GSE – No maximum LTV/CLTV on fixed or ARM mortgages.

OCCUPANCY

- All original occupancy types are eligible; however,
- Occupancy changes are permitted, limited to owner-occupied, second home or investment types (no commercial occupancy).

MI COVERAGE

- MI coverage percentage will remain the same; and
- The type of mortgage insurance on the loan can be changed (for example, member-paid MI to lender-paid MI, annual to monthly or monthly to single).

MI PREMIUM RATE

The MI premium rate will remain the same for the New Loan.

- The premium payment amount may change if the unpaid principal balance of the New Loan has increased

The **New Loan** must improve the member’s financial position as defined by one of the following criteria:

Non-GSE Requirements:

- A reduction in the mortgage payment, interest rate or principal balance; or
- A replacement of an adjustable-rate mortgage (ARM) with a fixed-rate mortgage.
- An extension of the ARM fixed-payment period; or
- An extension of the loan or amortization term; or
- A more stable payment product.

GSE Requirements:

- Have an application date on or after Nov. 1, 2018.
- An ARM that refinances an existing ARM, with the new ARM having a minimum five-year fixed-rate term.

PROGRAM DEFINITION

- The current or a new servicer/credit union may refinance the existing loan.

ELIGIBLE BORROWERS

- The new loan must be for the original members on the existing loan.

LOAN TYPE

The New Loan must be one of the following:

Non-GSE Requirements:

- A fully amortizing fixed-rate/fixed payment loan with a term up to 40 years.
- A fully amortizing ARM with an initial fixed period of at least five years, with a term up to 40 years.

GSE Requirements:

- Term of the New Loan may not exceed 30 years.
- Must not be a mortgage with a temporary subsidy buydown plan.
- Must not be a Texas Equity Section 50(a)(6) Mortgage.

LOAN AMOUNT

The loan amount for the New Loan includes the following:

Non-GSE Requirements:

- Payoff of the Existing Loan (may include the unpaid principal balance and interest accrued through the date the loan will be paid off); and
- Reasonable and customary closing costs may be financed in the New Loan amount; and
- Existing subordinate liens must be re-subordinated or paid off with the member’s own funds; and
- The member may receive no more than \$250 cash back at closing of the Refinanced Loan. Any excess funds must be applied as a principal curtailment on the Refinanced Loan.

GSE Requirements:

- The financing of closing costs, prepaid items and points (up to \$5,000 total) may be financed in the New Loan amount.

MORTGAGE PAYMENT HISTORY

Non-GSE Requirements:

- 0x30 days delinquent in the last six months, with 1x30 delinquency in the past 12 months.

or decreased from the original loan amount. The new premium rate will be based on the rates in effect at the time of the original transaction for that type of mortgage insurance.

- If the Existing Loan had single premium coverage, no additional premium will be due for the New Loan, even if the new unpaid principal balance of the New Loan changes.

MI CERTIFICATE NUMBER

For the New Loan, Arch MI will modify and retain the existing certificate number. It is very important not to terminate the original certificate. For loans insured by Arch MI, a HARP/RTM Certificate Amendment Request Confirmation will be provided if/when the new refinanced loan is deemed eligible under Arch MI’s RTM Program requirements. For loans insured by United Guaranty, a Certificate Change Endorsement will be provided if/when the new refinanced loan is deemed eligible under United Guaranty’s Refi with Cert Mod program requirements.

REPRESENTATIONS

Arch MI relieves servicers of their representation obligations on the Existing

ELIGIBLE LENDER

Non-GSE Requirements:

- Have the ability to originate new loans.
- Agree to the terms of Arch MI’s RTM Program, as appropriate.

GSE Requirements:

- 0x30 days delinquent in the most recent six months; with 1x30 delinquency in most recent 12 months. **Note: Freddie Mac Only** – 0x60 or more days delinquent in the most recent 12 months.

Loan, but the loan owner is subject to the obligations of the RTM Program. Arch MI will rely on the representation made in regards to the new Refinanced Loan.

OTHER CONSIDERATIONS

Non-GSE Requirements:

- Geographic limitations do not apply.
- No property valuation is required as Arch MI will rely on the value provided with the Existing Loan.

GSE Requirements:

- Refer to each GSE’s specific property valuation guidelines.

CURRENT CERTIFICATE VALIDATION

To determine if the member’s loan is currently insured by Arch MI, please use **CONNECT** or call our Servicing team at 877-642-4642 (Option 2).

NOTE:

If the original loan is owned or guaranteed by Fannie Mae or Freddie Mac and does not meet GSE program eligibility, refinancing under the RTM (Non-GSE) guidelines may result in an unsaleable loan. Credit unions are encouraged to carefully consider the implications of refinancing loans under the RTM (Non-GSE) program.

CONTACT INFORMATION

For modification inquiries, email loanmods@archmi.com or call 877-642-4642 (Option 2).

SUBMISSION PROCESS

STEP 1	STEP 2	STEP 3
<p>Determine if Arch MI holds the current mortgage insurance on the property and the certificate is in-force.</p> <ul style="list-style-type: none"> ▪ Access CONNECT at archmi.com, or call our Servicing team at 877-642-4642 (Option 2). ▪ DU® findings or Loan Product Advisor® feedback should also list the original MI and certificate number. 	<p>Electronic Submission Log onto CONNECT and submit your RTM request by entering the necessary information, including:</p> <ul style="list-style-type: none"> ▪ Loan Purpose – Select Refi-to-Mod. ▪ Loan Program – Select Refi-to-Mod. ▪ Please reference the RTM Quick Start Guide for more detailed information regarding submitting the RTM request through CONNECT; the Guide is posted under the MI Origination tab at archmi.com. ▪ If you do not have access to CONNECT, go to archmi.com and click New User Link under CONNECT; follow the instructions for requesting a login and password. <p>EDI/XML SUBMISSION If you intend to submit your RTM request though EDI/XML, your MISMO indicator codes will be set up by our Customer Service team. Please contact our Customer Service team at 877-642-4642.</p> <p>MANUAL SUBMISSION Use the submission method described on Page 3.</p>	<p>Activation Requirements It is very important not to terminate the original certificate. To activate coverage for the refinance loan, provide all of the following to Arch MI once the new loan closes:</p> <p>1. Monthly Premium Loans</p> <ol style="list-style-type: none"> a. Submit full payment of any Outstanding Premium Due on the original loan (as stated on the Arch MI RTM Certificate Amendment Request Confirmation or the United Guaranty Certificate Change Endorsement) to Arch MI within 21 days from the refinance loan closing date; and b. Submit full payment of the refinance loan’s modified initial premium due and any applicable taxes or assessments in accordance with Arch MI’s Billing Terms and Conditions (as stated on the Arch MI RTM Certificate Amendment Request Confirmation or the United Guaranty Certificate Change Endorsement); and c. Complete the Activation Information on Page 3 of the Certificate Amendment Request Confirmation and email the completed form with the loan closing date to the servicing team at loanmods@archmi.com.

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2. **Single Premium Loans**
Complete the Activation Information on Page 3 of the Certificate Amendment Request Confirmation and email the completed form with the loan closing date to the servicing team at loanmods@archmi.com.