

PMI-to-PMI Refinance-to-Modification Program (including HARP Loans) New Lender/Servicer

PMI is pleased to introduce its PMI-to-PMI Refinance-to-Modification (RTM) New Lender/Servicer Program. The program offers flexible refinance options to allow a different lender/servicer to refinance an existing PMI-insured mortgage. This includes HARP for GSE-owned loans as well as Refinance-to-Modification for loans owned by other investors.

The existing loan must meet the following criteria:

- PMI is the current insurer
- The existing loan has been seasoned for at least 12 months
- The coverage percentage and premium rate remain unchanged
- The borrower(s) and property are the same as on the existing loan
- The maximum financed closing costs allowed are detailed below
- The loan is current

The new loan should improve the borrower's financial position by at least one of the following:

- A reduction in the mortgage payment, interest rate or principal balance; or
- An extension of the ARM fixed-payment period; or
- An extension of the loan or amortization term; or
- A more stable payment product

LOAN PURPOSE

- PMI-to-PMI Refinance-to-Modification (RTM) Program
 - Fannie Mae HARP
 - Freddie Mac Relief Refinance Open Access
 - Other Investors

Refinance allows:

- Payoff of existing loan (includes the unpaid principal balance and interest accrued through the date the loan will be paid off) including the related closing costs and prepaid items
- Maximum financed closing costs:
 - Loan amounts of \$417,000 or less – 4% of the existing loan's unpaid principal balance plus accrued interest, or \$5,000, whichever is less
 - Loan amounts greater than \$417,000 – 4% of the existing loan's unpaid principal balance plus accrued interest, or \$10,000, whichever is less
- Existing subordinate liens must be re-subordinated or paid off with the borrowers own funds
- The borrower may receive no more than \$250 cash back at closing; all other funds must be applied as a principal curtailment on the new loan

FANNIE MAE HARP/FREDDIE MAC RELIEF REFINANCE

- Lenders must determine that the specific program requirements for Fannie Mae and Freddie Mac are met

BORROWERS

- The new refinance is for the original borrowers on the currently insured loan
- Borrower changes are permitted as GSE policies allow

OCCUPANCY

- All occupancy types are eligible
- Occupancy changes are permitted

PROPERTY TYPE

- Same as the original property type

NEW P&I

- If the new principal and interest payment increases by more than 20% of the existing principal and interest payment; income and employment must be verified and the maximum DTI is limited to 55%. Required income documentation:
 - **Salaried borrowers** – minimum of one paystub indicating the most recent 30 days' earnings and year-to-date earnings and a verbal Verification of Employment (VOE)
 - **Self-employed or other non-salaried borrowers** – minimum of one year's tax return and a verbal VOE

LOAN TYPE

- A fully amortizing fixed-rate/ARM/modified-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

CLOSING COSTS

- Reasonable and customary closing costs to be financed in the new loan amount are limited to the lesser of:
 - 4% of the existing loan's unpaid principal balance plus accrued interest, or \$5,000, when the loan amount is \$417,000 or less
 - 4% of the existing loan's unpaid principal balance plus accrued interest, or \$10,000, when the loan amount is greater than \$417,000
- The borrower may receive no more than \$250 cash back at closing; all other funds must be applied as a principal curtailment on the new loan

LTV/CLTV

- No maximum LTV
- No maximum CLTV

SUBORDINATE FINANCING

- All existing subordinate financing must be re-subordinated or paid off with borrower's own funds
- No new subordinate financing allowed

SEASONING REQUIREMENTS

- Existing loan must be seasoned for 12 months. Multiple mortgages cannot be used to meet this requirement

MORTGAGE PAYMENT HISTORY

- No 30-day late payments in the last 90 days, with 1x30 in the past 12 months

PROPERTY VALUATION

- No property valuation is required as PMI will rely on the value provided with the original loan

REQUIRED DOCUMENTATION

- Lenders should include the following documents:
 - **Delegated Loans:**
 1. Modification Request
 2. New 1003 and 1008
 - **Non-Delegated Loans:**
 1. Modification Request
 2. New 1003 and 1008
 3. New credit report (for current mortgage payment history)
 4. Income verification when the P&I payment is increasing over 20% of the current payment

MORTGAGE INSURANCE

- The mortgage insurance premium rate and the coverage percentage will not change for PMI Monthly, pmiNU MonthlySM and Level annual premium plans
 - The premium payment amount may change if the new unpaid principal balance of the refinanced loan has increased or decreased from the original loan amount, and this new payment amount will be determined by applying the existing premium rate to the new loan amount
 - If the existing loan had single premium coverage, no additional premium will be due, even if the loan or insured amount changes
 - The effective date will be reset to the new loan's start date
 - Any outstanding premiums on the existing loan must be paid prior to the activation of the modification
 - Once PMI's review of the loan is complete, one of the following will be faxed:
 - Refi-to-Mod Certificate Amendment Request - Confirmation; or
 - Refi-to-Mod Certificate Amendment Request - Ineligible
 - The PMI Certificate of Insurance will be modified to reflect the new loan terms, and the existing certificate number, percentage level of coverage and the premium rate will remain unchanged
 - The mortgage insurance premium amount will be updated if the new unpaid principal balance of the refinanced loan is different from the original loan amount
- ## CURRENT CERTIFICATE
- If the existing loan is owned by Fannie Mae, DU[®] Refi Plus messaging will specify that PMI insures the loan
 - To determine if the borrower's loan is insured by PMI, please call Customer Service at 800.366.1143

DELIVERY METHODS

- Submit using electronic or fax submission

TO SUBMIT A LOAN TO A REGIONAL OPERATIONS CENTER (ROC):

Dallas, TX

800.527.7040
866.649.9634 (pmiPAPERLESS MI only fax)
dallasuw@pmigroup.com
(for general ROC inquiries)

Downers Grove, IL

800.759.4764
888.444.9792 (pmiPAPERLESS MI only fax)
UWProcess@pmigroup.com
(for general ROC inquiries)

