



One Underwrite (AUS)[®]

Frequently Asked Questions

September 14, 2020

To access the COVID-19 Interim Underwriting Guidance, please refer to the [Radian Underwriting Guidelines](#)

The questions and answers below are specific to *One Underwrite (AUS)* eligibility. A loan file must include a valid Agency AUS approval in order to qualify for the *One Underwrite (AUS)* program. A loan ineligible for *One Underwrite (AUS)* must meet Radian's Manual Underwriting eligibility. Please see Radian's published [Eligibility Matrices and Underwriting Guidelines](#) for details.

General Eligibility

Q: How does *One Underwrite (AUS)* treat Fannie Mae/Freddie Mac updates and revisions?

A: Unless specifically excluded in the current version of Radian's guidelines or subsequent, corresponding Radian Announcement, future Fannie Mae or Freddie Mac guideline changes are likewise eligible for *One Underwrite (AUS)* concurrent with their Fannie Mae or Freddie Mac announced effective dates.

Q: Are non-delegated lenders eligible?

A: Yes, *One Underwrite (AUS)* is available to both delegated and non-delegated lenders and for both delegated and non-delegated submissions.

Q: Where can I find Radian's general eligibility criteria?

A: In Chapter One of Radian's published guidelines.

Q: Will Radian allow an Agency AUS approval with an Ineligible Recommendation?

A: Yes. See [One Underwrite \(AUS\) Eligibility Matrices](#).
Manufactured Homes and 2–4 Units are excluded.

Q: Are Agency High Balance loans eligible?

A: Properties located in FHFA designated High Cost Areas are eligible.

Q: Does Radian restrict TPOs (third party originations)?

A: No, Radian does not restrict TPOs for either *One Underwrite (AUS)* or Manual Underwriting eligibility.

Q: Are loans with subordinate financing eligible?

A: Yes, with an Agency AUS Eligible Recommendation. The Findings/Feedback report must accurately identify required subordinate financing details.

Q: Does Radian accept specific lender approvals or variances issued by the Agencies?

A: Radian accepts properties located in Guam, Fannie Mae HomeStyle® Renovation, MH Advantage™, Freddie Mac CHOICEHomeSM, CHOICERenovationSM, Cooperative Share loans, secondary financing in conjunction with Affordable Housing programs.

In addition to Fannie Mae/Freddie Mac published guidelines the following Radian Manual Underwriting underwriting flexibilities are offered for mortgage insurance purposes.

- A rate/term refinance may include the payoff of a non-purchase money subordinate lien.
- Lenders may use 0.5% for monthly student loan payments not reflected on the credit report or an income based payment calculated on the same income used to qualify for the mortgage.
- Employment contract and projected salary/wage increases as qualifying income.
- Seller credits for decorating and repairs.
- Builder/Sellers may pay the first 12 months mortgage insurance premiums on behalf of the borrower.

See [Radian Underwriting Guidelines](#) for details.

Other specific lender approvals or variances are not eligible including condominium units sold with recourse in exchange for reduced project eligibility reps and warrants. *One Underwrite (AUS)* eligibility is subject to standard Agency published guidelines. A loan file which, due to an ineligible variance, does not contain the documentation sufficient to satisfy all conditions identified on the Findings/Feedback report is not eligible for *One Underwrite (AUS)* but can be reviewed for standard eligibility.

AUS Specifics

Q: Can a lender's Proprietary AUS or Custom AUS Recommendation be used to satisfy *One Underwrite (AUS)* eligibility?

A: No, any exception would require Risk Management approval.

Q: Can a DO Findings Report be used to evidence *One Underwrite (AUS)* eligibility?

A: Yes, a DO Findings Report may be used provided the loan details accurately reflect the documentation contained within the loan file.

Q: Does *One Underwrite (AUS)* eligibility require the application of any manual underwriting requirements?

A: Yes,

- DTIs exceeding 45% for Single Premium mortgage insurance are subject to a minimum credit score of 700 or a maximum LTV of 95% (Waived if submitted under Radian's RADAR® Rates Single Premium Borrower-Paid pricing option.)
 - FICO score ≥ 620 for Primary and Second Homes
 - 2–4 Units and manufactured housing are excluded on the Ineligible matrix.

Loan details and circumstances, identified by Fannie Mae and/or Freddie Mac in their respective Selling Guide, which are not captured and/or considered within the AUS. These can vary depending on effective date, system limitations or scheduled upgrades and may include but are not limited to required reserves, derogatory credit waiting periods, and multiple financed property limitations. In these cases, manual underwriting consideration is required to confirm the loan file continues to meet applicable agency guidelines.

Borrower Eligibility

Q: Is a borrower with an ITIN (income tax identification number) eligible?

A: No, Radian's general eligibility requirements exclude ITIN borrowers.

Q: Does Radian accept loans with non-occupant CB's?

A: Radian will insure loans with non-occupant CBs provided:

- The information submitted to the AUS accurately identifies occupant and non-occupant credit and capacity details.

Q: Are relocation borrowers eligible for *One Underwrite* (AUS)?

A: Relocation pricing is available for borrower's who meet Radian's definition of a relocation borrower. Agency provisions identified within the standard published guidelines specific to relocation borrowers apply.

Documentation

Q: Will Radian allow streamlined documentation?

A: The loan file may be documented as permitted by the Findings/Feedback Report provided it is adequate to support the loan details as submitted.

Q: Will Radian accept an AUS PIW?

A: Radian will accept the *minimum* documentation required by the AUS. However, both Fannie Mae and Freddie Mac outline circumstances when lenders must obtain an appraisal of the property. In that event the increased property documentation must be included within the loan file.

Q: Will field reviews be required?

A: A field review required as a condition of the Findings/Feedback report must be provided.

Q: What are Radian's requirements regarding project warranties?

A: Radian does not restrict the process by which the submitting lender warrants a project. However, the process under which it is done must meet Agency requirements for property type, transaction and location. For both delegated and non-delegated submissions, Radian requires that the submitting lender determine whether the Planned Unit Development, Condominium project or Cooperative is warrantable under the applicable Fannie Mae/Freddie Mac eligibility requirements. This determination must include an evaluation of the integrity of all data submitted to obtain a Fannie Mae/Freddie Mac project approval.

Credit

Q: Is re-scoring of credit acceptable?

A: Agency acceptable credit reports which document appropriate credit re-scoring are acceptable provided they have been properly run through the Agency AUS.

Q: Is a borrower required to meet Radian's re-established credit requirements after a BK or foreclosure?

A: No, the borrower is only required to meet applicable Agency requirements.

Capacity

Q: Can gift funds be used to satisfy a borrower's minimum contribution and reserves?

A: Yes, provided the asset details are submitted accurately to the AUS and all Agency requirements are met.

Certificate Specifics

Q: At what point can coverage be activated be activated for a Fannie Mae HomeStyle® Renovation or Freddie Mac CHOICERenovationSM loan?

A: Coverage can be activated once the loan has closed. This allows for coverage during the renovation period.