

Radian Announcement eBulletin #2020-4 | April 1, 2020

Latest GSE Alignment and Changes to MI Eligibility

As our industry continues to grapple with impacts of COVID-19, we want you to know we are here to help as you work to assist new and existing borrowers during these unprecedented times. This includes keeping you up to date on the latest GSE announcements and changes to Radian's guidelines.

Yesterday, the GSEs announced new underwriting documentation requirements and additional flexibilities related to loan closings. Radian is aligning with all GSE updates included in these announcements – key highlights can be found below, along with changes to Radian's Underwriting Guidelines.

Alignment with GSE Updates

- For new loan applications, received on or after April 14, 2020, underwriting documentation for income and assets must be dated no more than sixty (60) days from the Note Date. Employment, income, and asset verification directly from a third-party verification service provider must be dated no more than sixty (60) days prior to the Note Date.
- For new loan applications, received on or after April 14, 2020, when self-employment income is used as qualifying income, lenders must confirm, within ten (10) business days of the Note Date, that the borrower's business is currently operating.
- For equity-based assets, lenders must follow GSE down-payment requirements to liquidate the asset or discount the value if used for reserves.
- Radian aligns with the appraisal flexibilities extended to new construction and renovation loans.
- Radian aligns with the powers of attorney flexibilities and the remote online notarization policies.

The GSE-announced underwriting and appraisal flexibilities, as well as the GSE-announced underwriting documentation restrictions, extend to Radian's eligibility and guidelines for non-GSE loans, with the exception of exterior-only and desktop appraisals, which have a maximum loan amount of \$765,600.

Given the broad and significant impact on employment and income caused by COVID-

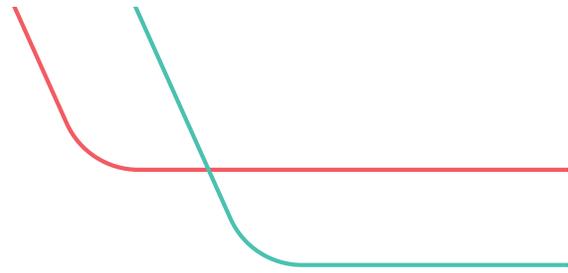
Questions?

Radian Customer Care: 877.RADIAN1 (723.4261) | Contact your [Radian Account Manager](#).
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Thank you for your continued partnership as we strive to promote and preserve the American dream of homeownership.

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19, we encourage our lenders to continue to apply thoughtful due diligence to loan files and follow up appropriately on “red flags”. These updates should be implemented as soon as possible, but no later than April 14, 2020, for new loan applications.

For your convenience, the referenced GSE announcements issued on or after March 23, 2020 are listed below:

Fannie Mae

- **Impact of COVID-19 on Servicing**
[Lender Letter LL-2020-02](#)
(Issued 3/23/2020)
- **Impact of COVID-19 on Originations**
[Lender Letter LL-2020-03](#)
(Updated 3/31/2020)
- **Impact of COVID-19 on Appraisals**
[Lender Letter LL-2020-04](#)
(Updated 3/31/2020)

Freddie Mac

- **Temporary Servicing Guidance Related to COVID-19**
[Bulletin 2020-4](#) (Issued 3/23/2020)
- **Selling Guidance Related to COVID-19**
[Bulletin 2020-5](#)
(Issued 3/23/2020)
- **Selling Guidance Related to COVID-19**
[Bulletin 2020-8](#)
(Issued 3/31/2020)

Updates to One Underwrite and Manual Underwriting Guidelines

The following Underwriting Guideline changes, effective for MI applications received on or after April 14, 2020, are listed below:

- Investment properties are no longer eligible for mortgage insurance.
- Cash-out refinance transactions are no longer eligible for mortgage insurance.
- Exterior-only and desktop appraisal flexibilities announced by the GSEs on March 23, 2020, are not eligible for loan amounts that exceed \$765,600.

Radian’s updated Eligibility Matrices and Underwriting Guidelines will be posted to our website on April 14, 2020.

We recognize the frequency of these updates may be difficult to keep up with, which is why we’ve added a new section to our website at www.radian.com/covid-19. Please be sure to bookmark this page to make it easier for you to access the latest information on COVID-19’s impact on Radian’s programs and policies – all in one spot.

Please know we are here and working hard to continue providing the service you have come to expect from us. Should you have any questions, please contact your Radian Account Manager, Risk Manager, or Radian Customer Care at **877.RADIAN1 (723.4261)**.

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