

PMI ELIGIBILITY & UNDERWRITING GUIDELINES EXPANSION

EFFECTIVE 11.15.09

Overview

We're pleased to advise that we're expanding our eligibility and underwriting guidelines, effective **November 15, 2009**, as follows:

- **Condominiums** may now be insured in non-distressed markets to a maximum 95% LTV (attached housing in Florida is not eligible)
- **Cash-Out Refinances** are now eligible in non-distressed markets to a maximum 85% LTV with a 720 credit score
- **Second Homes** are now eligible in non-distressed markets to a maximum 90% LTV with a 720 credit score
- **Construction-Permanent Loans** are eligible in non-distressed markets to a maximum 95% LTV to \$417,000 with a 680 credit score, and 90% LTV to \$625,500 with a 700 credit score (no coverage during construction phase)
- **High-Balance Loans** can now be insured in non-distressed markets with a 700 credit score
- **High-Balance Loans** can now be insured in distressed markets to a maximum 90% LTV with a 740 credit score
- **High-Balance Loans for properties in AZ, CA, FL, HI, MD, MI, NV, NJ and RI** are now eligible to a maximum 85% LTV with a 740 credit score

PMI is also making the following underwriting guideline changes effective **January 1, 2010**; however, customers are encouraged to implement them immediately:

- **Credit Cards** can be used to pay closing costs paid outside of escrow
- **Property Flips** – an ownership requirement of 90 days, exceptions to the property flip policy, and additional appraisal analysis guidelines have been added
- **Condominium Project Eligibility** – no more than 15% of the units can be more than one-month delinquent on condo/association dues
- **Trailing Co-Borrower Income** is no longer an acceptable income source
- **Business Accounts** – to utilize funds from the borrower's business for the down payment, a letter must be obtained from the CPA stating the borrower has access to the funds and that there will be no detrimental impact to the business so that it can continue to operate profitably
- **Asset Verification** – added reserves to the verification requirement
- **Credit Counseling** – added requirement that borrowers must have completed their credit counseling, and have established a minimum of three current, active and open accounts with a minimum twelve-month history and no late payments

We have updated our Guidelines at a Glance; Alaska/Hawaii Guidelines; Distressed Markets Policy, List and Charts to reflect these changes. We have also created a separate Construction-Permanent Document detailing the program guidelines. You can access all updated documents [here](#). The Underwriting Manual will be updated and accessible at www.pmi-us.com/underwriting on November 15.



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