

Genworth Mortgage Insurance

7.1 Genworth-Insured Refinance Program (03/23/09)

The Genworth-Insured Refinance Program provides expanded underwriting guidelines for rate/term refinances of Genworth-insured mortgage loans. Our new guidelines cover the Home Affordable Refinance programs announced by Fannie Mae and Freddie Mac under the *Make Home Affordable* initiative.

The term “HARP” is used in our guidelines to encompass these Genworth-insured Fannie Mae and Freddie Mac Home Affordable Refinance programs:

- Fannie Mae Refi Plus™
- Fannie Mae DU Refi Plus™
- Freddie Mac Relief Refinancesm

A loan is considered “HARP-Eligible” if it is determined by the lender to be eligible for delivery through the agency’s program.

The term “Genworth-Insured Refinance” is used for all other Genworth-insured rate/term refinance loans that are not HARP-Eligible, such as portfolio loans or those that do not meet the Agency’s program guidelines.

Unlike our previous streamlined refinance program, there is no requirement for the submitting lender to be the current servicer of the existing mortgage loan.

Our program has four options, depending on HARP-eligibility and same servicer status:

- HARP-eligible (Same Servicer)
- HARP-eligible (New Servicer)
- Genworth-Insured Refinance (Same Servicer)
- Genworth-Insured Refinance (New Servicer)

There are underwriting guidelines, documentation requirements, and mortgage insurance parameters for each option. Loans are not subject to our Ineligible Loan Features or Declining/Distressed Markets Policy.

7.1.1 HARP-Eligible Refinance (Same Servicer)

HARP-Eligible Refinance (Same Servicer)	
Guidelines	<p>Genworth will insure HARP-eligible refinance loans originated under these programs when:</p> <ul style="list-style-type: none"> • The loan meets all of the agency’s eligibility, guideline and delivery requirements for the applicable program • Genworth’s HARP (Same Servicer) overlays are met, and • The submitting lender is the servicer of the existing loan
MI Guidelines and Ordering	<ul style="list-style-type: none"> • Genworth will modify the existing certificate by issuing a replacement Commitment/Certificate with a new certificate number • The premium rate (in basis points) of the existing certificate will be applied to the replacement Commitment/Certificate • The coverage percentage applied of the existing certificate will be applied to the replacement Commitment/Certificate • The representations and warranties on the original Commitment/Certificate of Insurance transfer to the replacement commitment/certificate without changes. Additionally, the insured represents and warrants all new documentation relied upon for the refinance • Submit only Home Affordable Refinance (Same Servicer) Form, 1003/65, and 1008/1077 to the National Processing Center

HARP-Eligible Refinance (Same Servicer)	
HARP-Eligible Refinance (Same Servicer) Overlays	
New Loan Amount	The new loan amount may include the following: <ul style="list-style-type: none"> • Payoff of existing first mortgage • The lesser of 4% or \$5,000 in related closing costs and prepaids/escrows • Any cash back to the borrower at closing must be applied as a principal curtailment to the new refinance
Seasoning Requirement	3 months
Mortgage Payment History	<ul style="list-style-type: none"> • The existing mortgage must be current • No mortgage delinquencies in the last 90 days • No more than 1x30 in the last twelve (12) months
Occupancy	Same as original Occupancy Type
Property Valuation	If HVE, an AVM or property fieldwork waiver is used, the lender represents and warrants the value generated to be accurate and the property to be in good condition

7.1.2 Genworth-Insured Refinance (Same Servicer)

Genworth-Insured Refinance (Same Servicer)	
Borrower Benefit	The new refinance must improve the borrower's overall position in at least one of the following ways: <ul style="list-style-type: none"> • Reduce the interest rate • Replace an ARM with a fixed rate • Reduce the amortization term
Lender Eligibility	The submitting lender must be the current servicer of the existing mortgage and have the original underwriting file
Loan Purpose	Rate/term refinance only
Maximum Loan Amount	No maximum loan amount The new loan amount may include the following: <ul style="list-style-type: none"> • Payoff of existing first mortgage • The lesser of 4% or \$5,000 in related closing costs and prepaids/escrows • Any cash back to the borrower at closing must be applied as a principal curtailment to the new refinance
Maximum LTV/CLTV	<ul style="list-style-type: none"> • Maximum 105% LTV • No maximum CLTV NOTE: Check state restrictions for LTVs > = 103% for limitations related to closing costs, prepaids, and loan types
Subordinate Financing	<ul style="list-style-type: none"> • All existing subordinate financing must be resubordinated and may not be paid off in the new transaction • No new subordinate financing may be obtained
Occupancy	Same as original Occupancy Type
Property Type	Same as original Property Type
Loan Type	<ul style="list-style-type: none"> • Fixed rate fixed payment • Fully amortizing ARM: 5yr, 7yr, 10yr <p>An existing fixed rate loan may not be refinanced into an ARM. An ARM is allowed only if existing loan is an ARM. The number of months to first adjustment of the new ARM must equal or exceed the number of months to first adjustment of the existing ARM.</p> <p>If the refinance will replace an Option ARM, or other loan with a neg am feature, a 30yr fixed rate loan with a 10yr IO period is permitted.</p>
Loan Term	Maximum 40-year loan term. Loan term may only decrease from original loan term. An increase in the loan term is not allowed.

Genworth-Insured Refinance (Same Servicer)	
New P&I	No cap on new P & I
Mortgage Payment History	<ul style="list-style-type: none"> The existing mortgage must be current No mortgage delinquencies in the last 90 days No more than 1x30 in the last twelve (12) months
Seasoning Requirement	3 months
MI Coverage %	<ul style="list-style-type: none"> Coverage % on the new loan may not increase from the original coverage % Coverage may decrease if the new LTV is lower than the original LTV
MI Rates	Subject to premium rates in effect at the time of new MI application
GSE AUS Result	Loans are not required to have a GSE AUS decision. If provided, the result must be Approve/Eligible or Accept Eligible
Genworth-Insured Refinance (Same Servicer) Overlays	
DTI	<ul style="list-style-type: none"> No maximum ratio Borrowers are not required to re-qualify, however, lender must determine the borrower has a reasonable ability to repay his/her total debt obligations
Minimum Credit Score	575
Documentation	<ul style="list-style-type: none"> New 1003 & 1008 New Credit Report Verbal VOE Use income and asset amounts as stated on the 1003
Property Valuation Requirements	<p>Property value for the new loan must be supported by either:</p> <ul style="list-style-type: none"> New appraisal report, or Original appraisal report <p>If the original appraisal report is used, the lender must represent and warrant that the original property value is still valid and that the property's value has not declined since the original appraisal. A new appraisal is required if the lender is unable to make this warranty.</p>
MI Ordering	Submit only Genworth-Insured Refinance Application, 1003/65, and 1008/1077 to the National Processing Center

7.1.3 Genworth-Insured Refinance (New Servicer), Including HARP-Eligible (New Servicer) Loans through DU Refi Plus

Genworth-Insured Refinance (New Servicer) Including HARP-Eligible (New Servicer) loans through DU Refi Plus	
Borrower Benefit	<p>The new refinance must improve the borrower's overall position in at least one of the following ways:</p> <ul style="list-style-type: none"> Reduce the interest rate Replace an ARM with a fixed rate Reduce the amortization term
Lender Eligibility	The submitting lender does not have to be the current servicer of the existing mortgage
Loan Purpose	Rate/term refinance only
Maximum Loan Amount	<p>No maximum loan amount</p> <p>The new loan amount may include the following:</p> <ul style="list-style-type: none"> Payoff of existing first mortgage The lesser of 4% or \$5,000 in related closing costs and prepaids/escrows Any cash back to the borrower at closing must be applied as a principal curtailment to the new refinance
Maximum LTV/CLTV	<ul style="list-style-type: none"> Maximum 105% LTV No maximum CLTV <p>NOTE: Check state restrictions for LTVs > = 103% for limitations related to</p>

Genworth-Insured Refinance (New Servicer) Including HARP-Eligible (New Servicer) loans through DU Refi Plus	
	closing costs, prepaids, and loan types
Subordinate Financing	<ul style="list-style-type: none"> All existing subordinate financing must be resubordinated and may not be paid off in the new transaction No new subordinate financing may be obtained
Occupancy	Same as original Occupancy Type
Property Type	Same as original Property Type
Loan Type	<ul style="list-style-type: none"> Fixed rate fixed payment Fully amortizing ARM: 5yr, 7yr, 10yr <p>An existing fixed rate loan may not be refinanced into an ARM. An ARM is allowed only if existing loan is an ARM. The number of months to first adjustment of the new ARM must equal or exceed the number of months to first adjustment of the existing ARM.</p> <p>If the refinance will replace an Option ARM, or other loan with a neg am feature, a 30yr fixed rate loan with a 10yr IO period is permitted.</p>
Loan Term	Maximum 40-year loan term. Loan term may only decrease from original loan term. An increase in the loan term is not allowed.
New P&I	No cap on new P & I
Mortgage Payment History	<ul style="list-style-type: none"> The existing mortgage must be current No mortgage delinquencies in the last 90 days No more than 1x30 in the last twelve (12) months
Seasoning Requirement	3 months
MI Coverage %	<ul style="list-style-type: none"> Coverage % on the new loan may not increase from the original coverage % Coverage may decrease if the new LTV is lower than the original LTV
MI Rates	Subject to premium rates in effect at the time of new MI application
GSE AUS Result	Loans are not required to have a GSE AUS decision. If provided, the result must be Approve/Eligible or Accept Eligible
Genworth-Insured Refinance (New Servicer) Overlays	
DTI	45%
Minimum Credit Score	620
Documentation	Full documentation
Property Valuation Requirements	New appraisal report: <ul style="list-style-type: none"> FNMA 1004 / FHLMC 70 for 1 unit properties FNMA 1073 / FHLMC 465 for condo units
Underwriting Notes	<ul style="list-style-type: none"> Loan must meet all other standard Genworth Guidelines Loan must be fully underwritten and documented
MI Ordering	Submit the Genworth-Insured Refinance Application, 1003/65, and 1008/1077 to the National Processing Center

To view Genworth's complete Underwriting Guideline Manual go to our website at mortgageinsurance.genworth.com.