

# CMG MI: Committed to Keeping Members In Their Homes

CMG Mortgage Insurance Company (CMG MI) is committed to helping credit union keep members in their homes and supports the Home Affordability and Sustainability Plan (HASp) that is designed to help families refinance or modify their mortgages. The CMG MI programs described below reflect our continuing commitment to credit unions and sustainable homeownership.

The CMG MI CU Home Preservation Program is designed to improve your members’ ability to keep their mortgage loans current and to preserve homeownership. This program has two components—CMG MI CU Home Preservation Refinance Program and CMG MI CU Home Preservation Modification Program.

## CMG MI Vision

- CMG MI is committed to working with you on every CMG MI-insured loan facing distress to support you in keeping your members in their homes.
- CMG MI experts are available to work with you to identify which programs best serve your member.
- CMG MI has a customizable approach that supports the Fannie Mae and Freddie Mac programs while providing individual service to you.
- CMG MI will be as flexible as possible in working on loans to improve your members’ monthly mortgage payment and overall ability to stay in their homes.

## Program Overviews

<b>CMG MI CU Home Preservation Refinance HARP Same Lender/Servicer Program</b>	A program for CMG MI-insured loans which support Fannie Mae’s Home Affordable Refinance Program and Freddie Mac’s Relief Refinance Program (HARP). This program allows the current servicer to refinance an existing CMG MI insured mortgage.
<b>CMG MI CU Home Preservation Refinance HARP New Lender/Servicer Program</b>	A program for CMG MI-insured loans which support Fannie Mae’s Home Affordable Refinance Program and Freddie Mac’s Relief Refinance Program (HARP). This program allows a different lender/servicer to refinance an existing CMG MI insured mortgage.
<b>EZ-Refi Program</b>	A program for CMG MI-insured loans which support refinances on non-GSE eligible refinance loans, portfolio loans, or other investor loans.
<b>Standard Refinance</b>	A program for refinance loans that are not currently insured by CMG MI or loans that do not meet the other CMG MI Refinance Programs
<b>CMG MI CU Home Preservation Loan Modification Program</b>	A loan modification program which supports the Home Affordable Modification Program and other loan modifications program to improve the member’s ability to make the loan payments and stay in their homes.

## CMG MI CU Home Preservation Refinance HARP Same Lender/Servicer Program

The CMG MI CU Home Preservation Refinance HARP Same Lender/Servicer Program (HARP Same Lender/Servicer Program) is available for CMG MI-insured credit union loans that are held by Fannie Mae or Freddie Mac. The CMG MI CU Home Preservation Refinance Program fully supports Fannie Mae’s Home Affordable Refinance program and Freddie Mac’s Relief Refinance Mortgage program (HARP) to allow refinances if the submitting lender is the current servicer of the existing mortgage.

To be considered for the HARP Same Lender/Servicer Program, the loan must meet all of the agency’s eligibility, guidelines, and delivery requirements, **in addition** to the following CMG MI eligibility requirements:

<b>CU Home Preservation Refinance HARP Same Lender/Servicer Program CMG MI Additional Eligibility Requirements</b>	
<b>Eligible Lender</b>	The submitting lender must: <ul style="list-style-type: none"> <li>Have the servicing rights on the Existing Loan; and</li> <li>Be the servicer on the Refinanced Loan; and</li> <li>Have the ability to originate new loans; and</li> <li>Have possession of the original loan file; and</li> <li>Agree to the terms of CMG MI’s HARP Same Lender/Servicer Program.</li> </ul>
<b>Mortgage Insurer</b>	The existing loan must already be insured by CMG MI and the certificate must be in-force.
<b>Investor Owned</b>	The existing loan must have been sold to Fannie Mae or Freddie Mac on or before May 31, 2009.
<b>Loan Amount</b>	The new loan amount may include the following: <ul style="list-style-type: none"> <li>Payoff of the existing first lien (includes the unpaid principal balance and interest accrued through the date the loan will be paid off) including reasonable and customary closing costs;</li> <li>The maximum amount of closing costs that can be financed is 5% of the existing loan’s unpaid principal balance plus accrued interest;</li> <li>Existing subordinate liens must be re-subordinated or paid off with the borrowers own funds;</li> <li>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.</li> </ul>
<b>Distressed Markets</b>	CMG MI’s Distressed Markets Policy does not apply to this program.
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>The new refinance is for the original borrowers on the existing currently insured loan; and</li> <li>Borrower changes are permitted as GSE policies allow.</li> </ul>
<b>MI Coverage</b>	<ul style="list-style-type: none"> <li>MI coverage percentage will remain the same.</li> <li>The type of mortgage insurance on the loan cannot be changed. A borrower-paid mortgage insurance policy will remain as a borrower-paid mortgage insurance policy.</li> </ul>
<b>MI Premium Rate</b>	The MI premium rate (in basis points) will remain the same for the Refinanced Loan. If the unpaid principal balance of the new loan is greater than the original loan amount, the premium amount will increase.
<b>MI Certificate Number</b>	The CMG MI certificate number will remain the same following coverage modification for the Refinanced Loan. A ‘HARP Certificate Amendment Request Confirmation’ notice will be faxed to the customer if the loan is deemed eligible under CMG MI’s HARP Same Lender/Servicer Program.

**CU Home Preservation Refinance  
HARP Same Lender/Service Program  
CMG MI Additional Eligibility Requirements (continued)**

<b>Mortgage Payment History</b>	0 x 60 in the past 12 months
<b>Occupancy</b>	The occupancy type must be the same as the original insured loan. If the loan was originally insured as a second home or investment property, the occupancy type can be changed to owner-occupied if the property is the borrower's primary residence.
<b>Legal Requirements</b>	The original representations of the Insured regarding the existing loan remain intact and in full force. The Credit Union represents and warrants that all of the information provided on the CU Home Preservation Refinance (HARP Same Lender/Service) Request Form is true and accurate. CMG MI continues to reserve all rights under its Master Policy, including the right to rescind coverage for reasons stated in the Master Policy or in accordance with applicable law. Credit Union and/or Service must provide CMG MI with the original loan file and/or refinance or modification file upon CMG MI's request.

There are three ways to submit a loan for this program:

1. e-cmgmi.com – Please refer to the e-cmgmi Quick Start Guide for complete instructions on how to submit a loan
2. EDI/XML: Indicator codes have been established by MISMO for lenders using EDI/XML. Please direct your questions to Simon Attwood ([simon.attwood@pmigroup.com](mailto:simon.attwood@pmigroup.com), 925.658.6202)
3. Complete the Home Preservation Refinance (HARP Same Lender/Service) Request Form and fax to the Underwriting Network at 888.763.2264

## CMG MI CU Home Preservation Refinance HARP New Lender/Servicer Program

The CMG MI CU Home Preservation Refinance HARP New Lender/Servicer Program (HARP New Lender/Servicer Program) is available for CMG MI-insured credit union loans that are held by Fannie Mae or Freddie Mac. The CMG MI CU Home Preservation Refinance Program fully supports Fannie Mae’s Home Affordable Refinance Program (DU Refi Plus) and Freddie Mac’s Relief Refinance Open Access Program (referred to as HARP). This program allows a different lender/servicer to refinance an existing CMG MI insured mortgage.

To be considered for the HARP New Lender/Servicer Program, the loan must meet all of the agency’s eligibility, guidelines, and delivery requirements, **in addition** to the following CMG MI eligibility requirements:

<b>CU Home Preservation Refinance HARP New Lender/Servicer Program CMG MI Additional Eligibility Requirements</b>	
<b>Eligible Lender</b>	The submitting lender must: <ul style="list-style-type: none"> <li>• Be the servicer on the Refinanced Loan; and</li> <li>• Be able to originate new loans; and</li> <li>• Agree to the terms of CMG MI’s HARP New Lender/Servicer Program.</li> </ul>
<b>Mortgage Insurer</b>	The existing loan must already be insured by CMG MI and the certificate must be in-force
<b>Investor Owned</b>	The existing loan must have been sold to Fannie Mae or Freddie Mac on or before May 31, 2009.
<b>Loan Amount</b>	The new loan amount may include the following: <ul style="list-style-type: none"> <li>• Payoff of the existing first lien (includes the unpaid principal balance and interest accrued through the date the loan will be paid off) including reasonable and customary closing costs;</li> <li>• The maximum amount of closing costs that can be financed is 5% of the existing loan’s unpaid principal balance plus accrued interest;</li> <li>• Existing subordinate liens must be re-subordinated or paid off with the borrowers own funds;</li> <li>• 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.</li> </ul>
<b>Distressed Markets</b>	CMG MI’s Distressed Markets Policy does not apply to this program.
<b>Seasoning Requirements</b>	None
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• The new refinance is for the original borrowers on the existing currently insured loan; and</li> <li>• Borrower changes are permitted as GSE policies allow.</li> </ul>
<b>MI Coverage</b>	<ul style="list-style-type: none"> <li>• MI coverage percentage will remain the same.</li> <li>• The type of mortgage insurance on the loan cannot be changed. A borrower-paid mortgage insurance policy will remain as a borrower-paid mortgage insurance policy.</li> </ul>
<b>MI Premium Rate</b>	The MI premium rate (in basis points) will remain the same for the Refinanced Loan. If the unpaid principal balance of the new loan is greater than the original loan amount, the premium amount will increase.
<b>MI Certificate Number</b>	The CMG MI certificate number will remain the same following coverage modification for the Refinanced Loan. A ‘HARP Certificate Amendment Request Confirmation’ notice will be faxed to the customer if the loan is deemed eligible under the CMG MI HARP New Lender/Servicer Program.

**CU Home Preservation Refinance  
HARP New Lender/Servicer Program  
CMG MI Additional Eligibility Requirements (continued)**

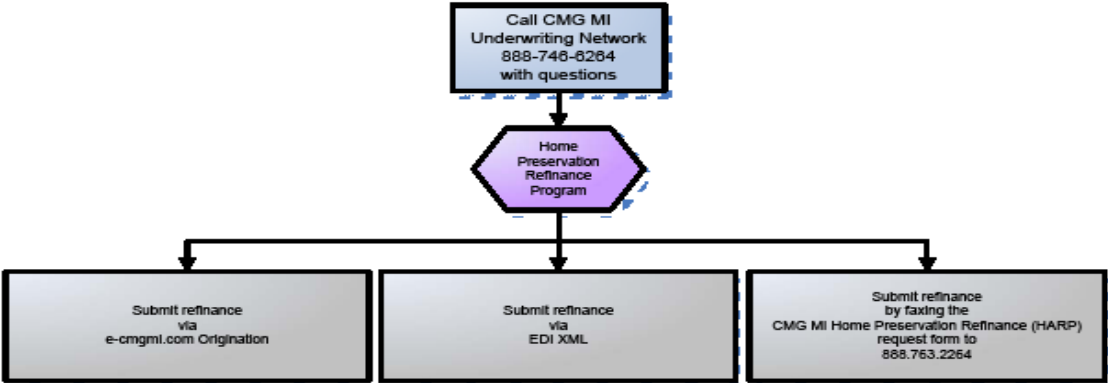
<b>Mortgage Payment History</b>	0 x 60 in the past 12 months
<b>Occupancy</b>	The occupancy type must be the same as the original insured loan. If the loan was originally insured as a second home or investment property, the occupancy type can be changed to owner occupied if the property is the borrower's primary residence.
<b>Legal Requirements</b>	The Credit Union represents that all of the information provided in regard to the Home Preservation Refinance (HARP New Lender/Servicer) Request Form is true, complete, and accurate. All of CMG MI's rights and remedies under the Master Policy with respect to the Refinanced Loan and any representations made by the Insured or its agents regarding the Refinanced Loan are in full force and effect. CMG MI reserves the right to exclude or rescind coverage based on facts and circumstances related to the origination of the Refinanced Loan and for reasons stated in the Master Policy or in accordance with applicable law. Credit Union and/or Servicer must provide CMG MI the refinance or modification file and all other relevant documents upon CMG MI's request.

To submit a loan for this program:

Complete the Home Preservation Refinance (HARP New Lender/Servicer) Request Form and fax to the Underwriting Network at 888.763.2264

The following process may be used for your Fannie Mae and Freddie Mac refinance loans:

**CU HomeKeepers**



## Other CMG MI Refinance Programs

CMG MI has additional refinance programs. In some cases, one of these programs may be the appropriate choice for a particular loan.

Please contact us at 888-746-6264 to review a particular loan. A CMG MI expert will discuss options with you and work to identify a CMG MI program that will serve your member and your credit union.

### **CMG MI EZ-Refi**

- If a CMG MI-insured loan meets the CMG MI EZ-Refi Program, that loan can be submitted through the CMG MI EZ-Refi process and will be insured with a new certificate issued under our current premium rates.
- To submit a loan for this program, complete the CMG MI EZ-Refi Application form and fax it with a copy of the 1003 and 1008 to 888-763-2264.

To qualify for the **CMG MI EZ-Refi Program**, the following eligibility requirements must be met:

<b>CMG MI EZ-Refi Program Eligibility Requirements</b>	
<b>Eligible Lender</b>	The submitting lender must be the current servicer and/or originator of the existing mortgage and have the original underwriting file.
<b>Mortgage Insurer</b>	The loan must already be insured by CMG MI and the certificate must be current and in-force.
<b>Borrower Impact</b>	The new refinance must improve the borrower's overall position in at least one of the following ways: <ul style="list-style-type: none"> <li>• Reduce the interest rate</li> <li>• Replace an ARM with a fixed rate</li> </ul>
<b>Loan Amount</b>	The new loan amount may include the following: <ul style="list-style-type: none"> <li>• The maximum amount of closing costs that can be financed is 5% of the existing loan's unpaid principal balance plus accrued interest;</li> <li>• Cash back not to exceed the lesser of 2% of the new refinance loan amount or \$2,000</li> </ul>
<b>Mortgage</b>	A new Note and Deed of Trust or Mortgage will be executed.
<b>Maximum LTV/CLTV</b>	The maximum LTV/CLTV for the new loan is 103%, subject to state restrictions.
<b>Distressed Markets</b>	CMG MI's Distressed Markets Policy does not apply to this program.
<b>MI Coverage</b>	<ul style="list-style-type: none"> <li>• MI coverage percentage will be the same or less than on the existing loan. An increase in coverage is not allowed, unless rates are not available for the refinance.</li> <li>• The type of mortgage insurance on the loan cannot be changed. A borrower-paid mortgage insurance policy will remain as a borrower-paid mortgage insurance policy.</li> </ul>
<b>MI Premium Rate</b>	The MI premium amount will change and the loan will be priced with current rates (in basis points) in effect at the time of the EZ- Refi submission.
<b>MI Certificate Number</b>	A new CMG MI certificate number will be issued.
<b>Seasoning Requirements</b>	None
<b>Mortgage Payment History</b>	The existing loan must be current at the time of application, including all subordinate liens with no mortgage delinquencies in the last 60 days.
<b>New P &amp; I</b>	If the payment is increasing due to a refinance from an ARM to a fixed, a maximum 25% increase in the P&I is permitted.

## CMG MI EZ-Refi Program Eligibility Requirements (continued)

<b>Loan Type</b>	<ul style="list-style-type: none"> <li>• Fully amortizing fixed-rate/fixed-payment loan</li> <li>• Fully amortizing ARM with initial fixed-rate period of 5 years or longer</li> <li>• Fixed rate mortgages cannot refinance to an ARM loan. The new ARM loan must have terms equal to or better than the existing loan's ARM terms</li> </ul>
<b>Loan Term</b>	Fully amortizing loan terms up to 40 years.
<b>Property Type</b>	The property type is the same as the original insured loan.
<b>Occupancy</b>	The occupancy is the same as the original insured loan. If the occupancy was originally insured as a second home or investment property, the Occupancy Type can be changed to primary if the property is the borrower's primary residence.
<b>Subordinate Liens</b>	<ul style="list-style-type: none"> <li>• Junior liens must be either paid off with member's own funds or be re-subordinated, provided the maximum CLTV requirements are met.</li> <li>• No new subordinate financing may be obtained.</li> </ul>
<b>Borrowers</b>	The new loan is for the currently insured member(s); no assumptions. Changes due to divorce or death could result in a removal or name change of the insured member(s).
<b>Credit Report</b>	<ul style="list-style-type: none"> <li>• A current credit score for the member(s) must be indicated on the application.</li> <li>• Minimum 580 credit score</li> </ul>
<b>Documentation/Verification</b>	<p>The lender must determine that the member has a reasonable ability to repay his/her total debt obligations.</p> <ul style="list-style-type: none"> <li>• New 1003 and 1008 <ul style="list-style-type: none"> <li>◦ Income and assets will be used as stated on 1003</li> </ul> </li> <li>• Verbal verification of employment</li> <li>• A new credit report with a current credit score is required.</li> </ul>
<b>Property Valuation</b>	<p>The appraised value of the new loan must be indicated on the application.</p> <ul style="list-style-type: none"> <li>• If the value is based on the original appraisal, the Credit Union must represent and warrant that the value has not declined since the original appraisal date. This can be evidenced by providing a recertification of value, AVM or BPO.</li> <li>• If the Credit Union is not able to provide the representation and warranty, a new appraisal is required.</li> </ul>
<b>Legal Requirements</b>	The original representations of the Insured remain intact and in full force. The Credit Union and/or Servicer represent and warrant that all the information as indicated on the EZ-Refi Application is true and accurate. CMG MI continues to reserve all rights under its Master Policy, including the right to rescind coverage for reasons stated in the Master Policy or in accordance with applicable law. Credit Union and/or Servicer must provide to CMG MI with the original loan file and/or refinance or modification file upon CMG MI's request.

To submit a loan for this program:

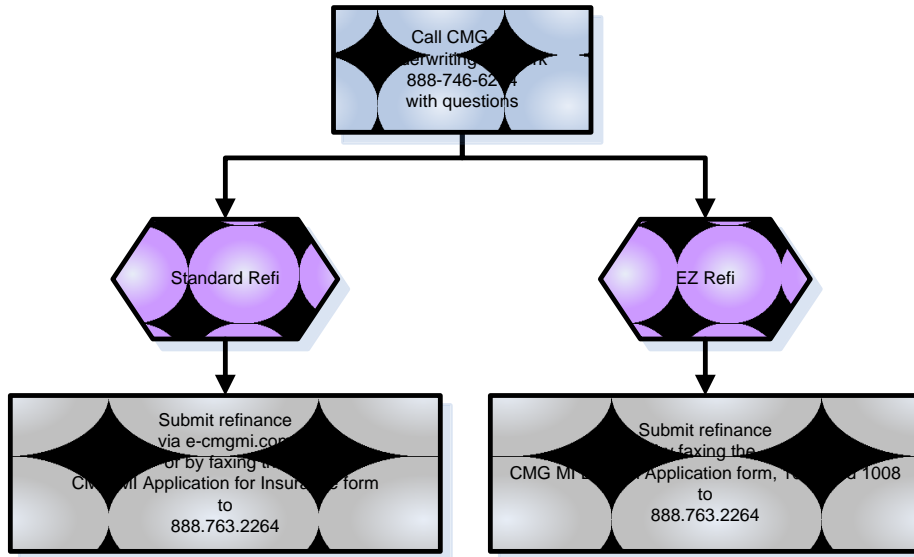
Complete the CMG MI EZ-Refi Application for Insurance and fax it along with a copy of the 1003 & 1008 to the Underwriting Network at 888.763.2264.

## CMG MI Standard Refinance

- This program is for refinances that are not currently insured by CMG MI or for other refinance loans that do not meet other CMG MI Refinance Programs. These loans are submitted through CMG MI's standard application processes and underwritten based on current guidelines. Insured loans will be priced based on current premium rates.
- To submit a loan for this program, complete the online MI Application at e-cmgmi or the CMG MI Application for Insurance form and fax it to 888-763-2264.

To qualify for the CMG MI Standard Refinance Program, refer to the Conforming & Non-Conforming program guidelines found at <http://www.cmgmi.com/guidelines>

The following process may be used for your refinance loans:



## CMG MI CU Home Preservation Loan Modification Program

This program is available for:

- All CMG MI-insured loans that are at imminent risk of default or delinquent. A member is in imminent risk of default if he/she is likely to become delinquent on a loan due to a hardship such as, but not limited to, illness, job loss, or rate increase on an existing loan, making the member unlikely to continue making timely payments.

### Modifications for CMG MI-Insured Loans

The CMG MI CU Home Preservation Loan Modification Program is available for CMG MI-insured loans.

This new program will to help your members preserve their homeownership.

- The transaction will be considered a modification of the existing CMG MI certificate of insurance.
- CMG MI will consider modifying any existing CMG MI certificate of insurance that meets the program criteria for this program.

To qualify for the **CMG MI CU Home Preservation Loan Modification Program**, the minimum eligibility requirements must be met:

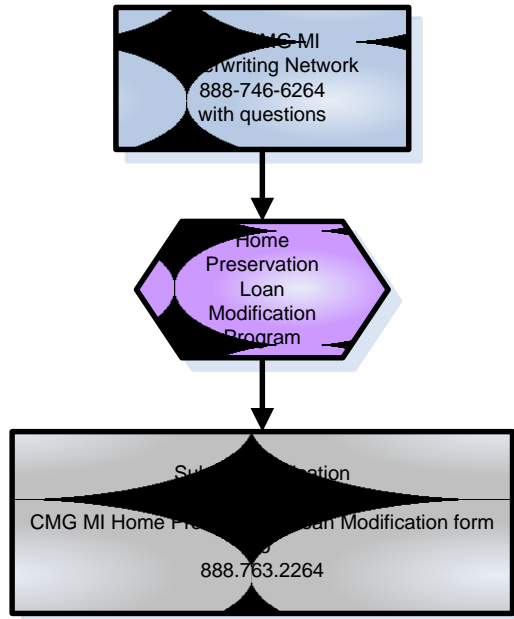
<b>CMG MI CU Home Preservation Loan Modification Eligibility Requirements</b>	
<b>Eligible Lender</b>	The submitting lender must be the current servicer and/or originator of the existing mortgage and have the original underwriting file
<b>Mortgage Insurer</b>	The loan must already be insured by CMG MI and the certificate must be current and in-force
<b>Distressed Markets</b>	CMG MI's Distressed Markets Policy does not apply to this program
<b>MI Coverage</b>	<ul style="list-style-type: none"> <li>• MI coverage percentage will be the same on the existing loan. Increases to coverage are not allowed.</li> <li>• The type of mortgage insurance on the loan cannot be changed. A borrower-paid mortgage insurance policy will remain as a borrower-paid mortgage insurance policy.</li> </ul>
<b>MI Premium Rate</b>	<ul style="list-style-type: none"> <li>• The MI premium <i>rate</i> (in basis points) will remain the same. If the unpaid principal balance of the modified loan is greater than the original loan amount, the premium <i>amount charged</i> will increase.</li> <li>• The premium renewal may be changed from constant to amortizing.</li> </ul>
<b>MI certificate number</b>	The CMG MI certificate number will remain the same. The existing certificate will be modified with new terms.
<b>Unpaid Principal Balance</b>	<ul style="list-style-type: none"> <li>• No penalties, processing or late fees can be capitalized into the Unpaid Principal Balance (UPB)</li> </ul> <p>The following items can be capitalized to the existing UPB:</p> <ul style="list-style-type: none"> <li>• Past due Hazard Premiums, HOA Dues, Interest, Property Taxes</li> </ul>
<b>Loan Type</b>	<ul style="list-style-type: none"> <li>• The member should not be modified into a more risky loan type.</li> <li>• The following loan types are eligible: <ul style="list-style-type: none"> <li>○ Fully amortizing fixed-rate/fixed-payment</li> <li>○ Adjustable rate mortgage with an initial fixed rate of no less than 5 years.</li> <li>○ Interest-only loans for limited circumstances where needed to allow sustainable payment</li> </ul> </li> <li>• The modified loan cannot provide for potential or scheduled negative amortization.</li> </ul>

<b>CU Home Preservation Loan Modification Eligibility Requirements (continued)</b>	
<b>Amortization Term</b>	Maximum 40-year amortization term
<b>Property Type</b>	The property type is the same as the original insured loan.
<b>Occupancy</b>	The occupancy is the same as the original insured loan.
<b>Borrowers</b>	The modification is for the currently insured member(s); no assumptions. Changes due to divorce or death could result in a removal or name change of the insured member(s).
<b>Borrower Impact</b>	The modified loan must improve the member's financial position which may include the following: <ul style="list-style-type: none"> <li>• Reduction in interest rate</li> <li>• Reduction in P &amp; I payment</li> <li>• Reduction in principal balance</li> <li>• Extending the ARM fixed rate period</li> <li>• Extending the loan or amortization term</li> <li>• Providing a more stable payment product</li> </ul>
<b>Documentation/Verification</b>	<ul style="list-style-type: none"> <li>• Verbal verification of employment is required to be performed by the lender for all loans</li> <li>• Modification plan shows positive cash flow for member after all payments are reworked</li> <li>• Member's monthly mortgage payment is reduced</li> </ul>
<b>Other</b>	The original representations of the Insured remain intact and in full force. The Credit Union represents and warrants that all the information as indicated on the CMG MI Home Preservation Loan Modification Form is true and accurate. CMG MI continues to reserve all rights under its Master Policy, including the right to rescind coverage for reasons stated in the Master Policy or in accordance with applicable law. Credit Union and/or Servicer must provide to CMG MI with the original loan file and/or refinance or modification file upon CMG MI's request.

CMG MI is committed in working with our Credit Union servicers in every way to improve the members' ability to make their mortgage payments. If you have a loan that you wish to review with CMG MI that may or may not fit the below eligibility parameters, please contact us at 888-746-6264. A CMG MI expert will review the loan with you and discuss options with you. Our goal is to help the members stay in their homes.

To submit a loan for modification, complete the CMG MI Home Preservation Loan Modification Form and fax it to: 888-763-2264. To designate a loan as imminent risk of default or delinquent, just check the appropriate box on the Loan Modification Form.

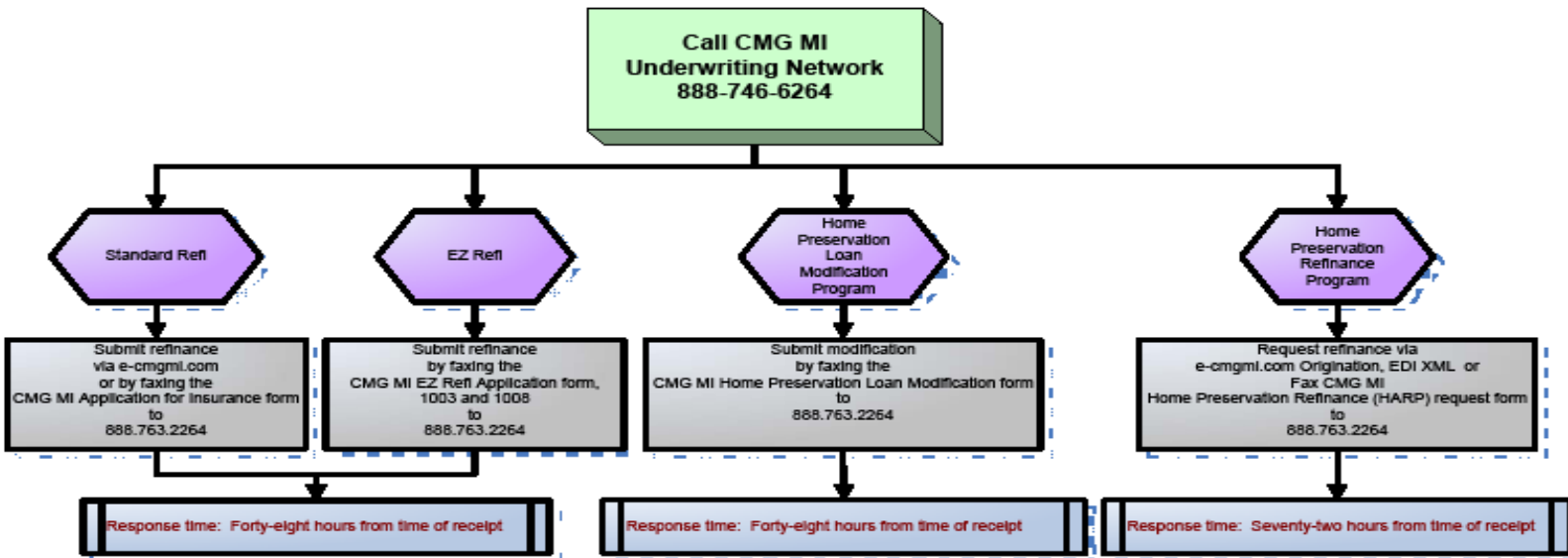
The following process may be used for your modified loans:



## CMG MI Credit Union Home Preservation Program Service Level Agreements

### CU HomeKeepers

Conduct scenario calls to determine the best product



**For additional information on the CMG MI Programs**

Go to [www.cmgmi.com/cuhomekeepers](http://www.cmgmi.com/cuhomekeepers)