



Keep Your Members in Their Homes — with CMG MI's CU HomeKeepers!

**CMG MI's CU HomeKeepers Works Flexibly with
CMG MI-Insured Loans in Distress**
www.cmgmi.com/cuhomekeepers

"CU HomeKeepers affirms and expands CMG MI's commitment to our customers. In a time of unprecedented volatility in the housing market, Credit Unions know they can rely on CMG MI for support and guidance in preserving homeownership and strengthening the bond with members. Our CU HomeKeepers suite of programs demonstrates the flexibility and customized approach that members value in their relationship with Credit Unions." — **Joe Dillon**, Senior Vice President and General Manager, CMG Mortgage Insurance Company



CMG Mortgage Insurance Company
A Joint Venture between PMI Mortgage Insurance Co. and
CUNA Mutual Insurance Society
www.cmgmi.com

Do you have a member whose CMG MI-insured mortgage loan is in distress? Do you want to utilize the government's Home Affordable Refinance Plan (HARP) or Home Affordable Modification Plan (HAMP) to give your member the opportunity to save their home?

CMG MI wants to help you keep your member in the home, too. Preserving homeownership is important to us. That's why we've created our CU HomeKeepers program suite to work with the government programs while providing maximum flexibility and a customized approach to your member's problem.

For CU HomeKeepers, we've created two new programs — the **CU Home Preservation Refinance** and the **CU Home Preservation Loan Modification** — to add to our EZ-Refi and Standard Refi, to give you a range of options!

CMG MI's CU HomeKeepers Has a Plan for Your Members!

You'll find the complete suite at www.cmgmi.com/cuhomekeepers. Ask your CMG MI Account Executive for help in identifying which CU HomeKeepers program might be appropriate for your member:

- **EZ-Refi** — Supports refinances on non-GSE eligible refinance loans, portfolio loans, or other investor loans
- **Standard Refi** — For refinance loans that are not currently insured by CMG MI or loans that do not meet the other CMG MI Refinance Programs' eligibility requirements
- **CU Home Preservation Refinance Program** — Supports HARP, which includes both Fannie Mae's Home Affordable Refinance Program and Freddie Mac's Relief RefinanceSM Program
- **CU Home Preservation Modification Program** — Supports HAMP and portfolio loan modifications to improve the member's ability to make the loan payments and stay in the home

For guidelines, please see the back of this flyer.

Learn more about CMG MI's CU HomeKeepers today. Find detailed information, forms and more at www.cmgmi.com/cuhomekeepers!

Tips for Successful Loss Mitigation

Establish early, consistent contact in the delinquency cycle

- Through multiple channels (phone, e-mail, letter)

Perform due diligence on each case – accurate information is critical!

- Learn the true reason for the delinquency
- Get appraisal or Broker Property Opinion (BPO)
- Obtain credit report
- Verify paystub, income and expense statement from Member
- Examine whether modified terms are sustainable

Involve your professional resources

- Broker, appraiser, credit counseling, property inspection, legal counsel

Select an appropriate loan workout strategy

- Assess the Member's financial ability and desire to stay in the home

CMG MI Guidelines for CU HomeKeepers Loan Modifications

Key Factors to Consider for a Successful Loan Modification

- A loan modification is the primary CU HomeKeepers strategy where income loss or other life events temporarily cause the Member to become delinquent or be at imminent risk of delinquency. The Member should show a commitment to keeping the home and demonstrate a plan to recover financially.
- The decision to offer a loan modification is delegated to the Credit Union, but CMG MI must receive the loan modification request for processing in order to assure the policy remains in force.
- The member is employed.

Best Practices

- To reach a sustainable modified payment plan, use “waterfall” decision steps similar to Fannie Mae’s program:
 - a) verify income and expenses;
 - b) reduce interest rate;
 - c) change amortization;
 - d) re-capitalize arrearage;
 - e) principal forbearance.
- CMG MI-insured loan modifications may be for loans that are delinquent, at imminent risk of delinquency, or performing. The goal is to facilitate home preservation by improving the Member’s risk position.
- Setting up a trial payment period as a condition of permanent loan modification (similar to Fannie Mae requirements) is a best practice.

Important Information About Your CMG MI Policy Following Loan Modification

- Re-capitalization of past due payments is allowed. Processing fees, late fees or penalty fees should not be included in re-capitalization plans.
- If the unpaid principal balance (UPB) is increasing due to a re-capitalization, the policy premium and subsequent monthly billing will be based on the new UPB. A subsequent claim would be calculated on new UPB as well.
- Policy percentage coverage remains the same.
- CMG MI imposes no restriction on loan-to-value or combined loan-to-value at time of modification.
- Occupancy should be the same as the original insured loan.
- Changing the amortization is part of the decision waterfall. Please be aware that CMG MI does not allow negative amortization.
- Part of the waterfall decision is a principal reduction. In the event of claim, the principal reduction is not a claimable cost.