

## EZ-Refi Program

**Effective January 8, 2010, the EZ-Refi Program eligibility requirements have been updated. Please review the updated eligibility requirements below when submitting a loan under the EZ-Refi Program.**

**The CMG MI EZ-Refi Program supports refinances on non-GSE eligible refinance loans, portfolio loans, or other investor loans.**

Only loans currently insured by CMG MI may be considered under the program. A loan that falls within CMG MI's EZ-Refi Program is treated as a new loan and a new certificate number is issued. Since CMG MI is insuring the existing loan, loans that fall under this program are not subject to CMG MI's current Program Guidelines and Distressed Markets Policy, provided that the new loan improves the member's financial position. EZ-Refi loans are subject to CMG MI's premium rates in effect at the time of the submission.

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: <ul style="list-style-type: none"> <li>○ For loan amounts less than or equal to \$417,000 - 4% of the existing loan's unpaid principal balance plus accrued interest, or \$5,000, whichever is less</li> <li>○ For loan amounts greater than \$417,000 - 4% of the existing loan's unpaid principal balance plus accrued interest, or \$10,000, whichever is less</li> </ul> </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</b>	The maximum LTV 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>Payment History</b>	<ul style="list-style-type: none"> <li>• Loan must be seasoned for at least 3 months.</li> <li>• The existing loan must be current at the time of application, including all subordinate liens with no mortgage delinquencies in the last 90 days</li> <li>• If the P&amp;I payment is staying the same or decreasing, one 30-day delinquency is allowed within the lesser of the last 12 months or the life of the mortgage loan</li> <li>• If the P&amp;I payment is increasing, no 30-day delinquencies are allowed within the lesser of the last 12 months or the life of the mortgage loan</li> </ul>
<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.
<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 type must be 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 owner occupied 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> <li>• If the existing principal and interest payment increases by more than 20% of the principal and interest payment that was most frequently made by the borrower during the most recent 12 months, (or since the Note Date of the loan being refinanced if the Note Date is less than 12 months prior to the application date of the refinanced loan), income and employment must be verified and the maximum DTI is limited to 55%. Required income documentation verification: <ul style="list-style-type: none"> <li>○ Salaried borrowers – minimum of one paystub indicating the most recent 30 days’ earnings and year-to-date earnings and a verbal VOE</li> <li>○ Self employed and other non-salaried borrowers – minimum of one year’s tax return and a verbal VOE</li> </ul> </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>	<p>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.</p>

**MI Submission to CMG MI**

- 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.
- ❖ **Refinance loans that do not meet the CMG MI EZ-Refi Program eligibility can be submitted it as a Standard Rate/Term Refinance under CMG MI’s Conforming or Non-Conforming Program Guidelines.**
- ❖ **Refinance loans that meet Fannie Mae’s Home Affordable Refinance and Freddie Mac’s Relief Refinance Programs should be submitted under the CMG MI CU Home Preservation Refinance Program.**

**Current Certificate**

To determine if the member’s loan is currently insured by CMG MI, please call our Customer Service team at 800.909.4264. Credit Unions with access to e-servicing can log in at [www.e-cmgmi.com](http://www.e-cmgmi.com).