



Genworth Mortgage Insurance

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April 6, 2010

Announcement HFA 2010 – 2 Underwriting Guideline Expansion Rate Changes

Dear Valued HFA Customer:

As the mortgage market continues to stabilize, Genworth's strong reliance on prudent underwriting standards and processes will allow us to continue expanding our underwriting guidelines. We are introducing new definitions for Retail and Non-Retail Originations. These new definitions will allow us to broaden our guidelines in **all** markets, including Arizona, California, Florida, Michigan, and Nevada. Our goal is to work with you, our lender partners, to prudently insure more loans for qualified borrowers and expand homeownership opportunities throughout the nation.

This expansion, which will be effective for all MI applications received on or after **April 12, 2010**, supersedes previously issued Genworth-approved program exceptions and applies regardless of submission channel (including EXCEL[®] and EasySubmit[®]) or Automated Underwriting System (AUS) recommendation or decision.

Introducing Retail Origination Definition and Guidelines Effective April 12, 2010

We are introducing a new definition of Retail Originations to our underwriting guidelines which will remove our existing Third Party Origination definition.

For a loan to qualify as a Retail Origination, the entity **that orders the mortgage insurance coverage (the Insured)** must have performed all of the following loan tasks:

- taking the loan application
- processing the loan application
- underwriting the loan application for MI eligibility
- funding and closing of the loan.

A Mortgage Service Provider (MSP) may be used so long as: (1) the MSP does not take the loan application, (2) the MSP is paid on a fee basis for services performed, and (3) the payment of fees is not contingent on mortgage approval or loan closing.

The loan will also be considered a retail origination if the Housing Finance Agency (HFA) or a designated service provider of the HFA (i.e. HFA approved servicer or Master Servicer) perform these loan tasks (processing, underwriting, funding and closing). In this case, the entity that orders the mortgage insurance coverage (the Insured) may be either the entity that took the application or the HFA or designated service provider.

Loans must be funded from: (1) a warehouse line in the lender's name, (2) the lender's own funds, or (3) funds provided by the HFA or its designated service provider. Table-funded loans from sources other than these are considered Non-Retail.

Loans meeting the new definition are eligible for our new Retail Origination Guidelines. The highlights of these new guidelines are listed and displayed on next page.



What's New for Retail Originations:

- **Removing Genworth's Declining/Distressed Market Policy for Retail Originations**
- Adding Cooperative Units (Coop) with a maximum LTV of 95% as an eligible property type
- Adding 2-Unit Properties with a maximum LTV of 90% as an eligible property type
- Adding Manufactured Housing with a maximum LTV of 85% as an eligible property type

Retail Originations	All Markets	
	LTV / CLTV	Credit Score
Primary - Purchase & Rate/Term Refinance	97%* / 103%	680
	95% / 103%	660
Condominiums**	95% / 100%	660
Cooperative Units**	95% / NA	660
2-Units	90% / 95%	680
Manufactured Housing	85% / 90%	680

*LTV > 95% not eligible in AZ, CA, FL, MI, NV

**All Attached Housing in Florida will require a Genworth underwrite
Check directly with your investor for their specific guideline requirements.

Non-Retail Origination Definition and Guidelines Effective April 12, 2010

We define Non-Retail Originations as loans that do not meet the definition for a Retail Origination.

Guidelines will expand for Non-Retail Originations in Non-Declining Markets and will be available in Declining Markets. The highlights of these new Non-Retail Originations Guidelines are listed and displayed below.

What's New for Non-Retail Originations in Non-Declining Markets:

- Increasing the maximum LTV to 95% on Primary Residence - Purchase and Rate/Term Refinance
 - Condominium and Coops remain at 90% LTV

Non-Retail Originations	Non-Declining Markets	
	LTV / CLTV	Credit Score
Primary - Purchase & Rate/Term Refinance	95% / 100%	720
Condominiums	90% / 95%	720
Cooperative Units	90% / NA	720

Check directly with your investor for their specific guideline requirements.

What's New for Non-Retail Originations in Declining Markets (AZ, CA, FL, MI, NV):

- Adding Primary Residence - Purchase and Rate/Term Refinance to a maximum LTV of 90%
 - All Non-Retail loans in Florida will require a Genworth underwrite

Non-Retail Originations	Declining Markets	
	LTV / CLTV	Credit Score
Primary - Purchase & Rate/Term Refinance	90%/90%	720
Condominiums	90%/90%	720
Cooperative Units	90%/NA	720

Check directly with your investor for their specific guideline requirements.

Tradelines

We are changing our valid credit score definition to require a minimum of 3 open tradelines evaluated at least 12 months. Loans without a valid credit score must be submitted to Genworth for underwriting.

Genworth Mortgage Insurance underwriters include:
Genworth Mortgage Insurance Corporation, Genworth Residential Mortgage Assurance Corporation, Genworth Residential Mortgage Insurance Corporation of North Carolina



Rate Updates Effective April 12, 2010

The following updates will be effective for MI applications received on or after April 12, 2010.

We will reinstate the Manufactured Housing Premium Adjuster

- +.20% for Monthly Premium MI, Zero Monthly Premium MI, and Split Premium MI
- +1.00% for Single Premium MI
- Applies to all Borrower Paid and Lender Paid MI

New Premium Adjusters Effective May 3, 2010

The following changes will be effective for MI applications received on or after May 3, 2010 and updated rate cards will be available by April 19, 2010.

Monthly Premium MI Rate Increase for Loans with LTV > 95%

Our Monthly Premium MI and Zero Monthly Premium MI rates for loans with Loan to Value (LTV) greater than 95% **and** a credit score > 700 will be increased.

- Rates remain unchanged for all other LTVs and credit scores.
- Rate changes are effective pending state approvals.

We will introduce a new 2-Unit Property Premium Adjuster

- +.25% for Monthly Premium MI, Zero Monthly Premium MI, and Split Premium MI
- +1.00% for Single Premium MI
- Applies to all Borrower Paid and Lender Paid MI

We will introduce a new Condominium / Cooperative Unit Premium Adjuster

- +.10% for Monthly Premium MI, Zero Monthly Premium MI, and Split Premium MI
- +.40% for Single Premium MI
- Applies to all Borrower Paid and Lender Paid MI

Please distribute this information to the appropriate contacts within your organization. If you have any questions, contact our HFA Sales Leader, Barbara Martin at 919 846.3129, your Genworth representative or the ActionCenter[®] at 800 444.5664.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rohit Gupta'.

Rohit Gupta
Chief Commercial Officer