

RADIAN

Ensuring the American DreamSM



HARP 2.0

Home Affordable Refinance Program - 2012

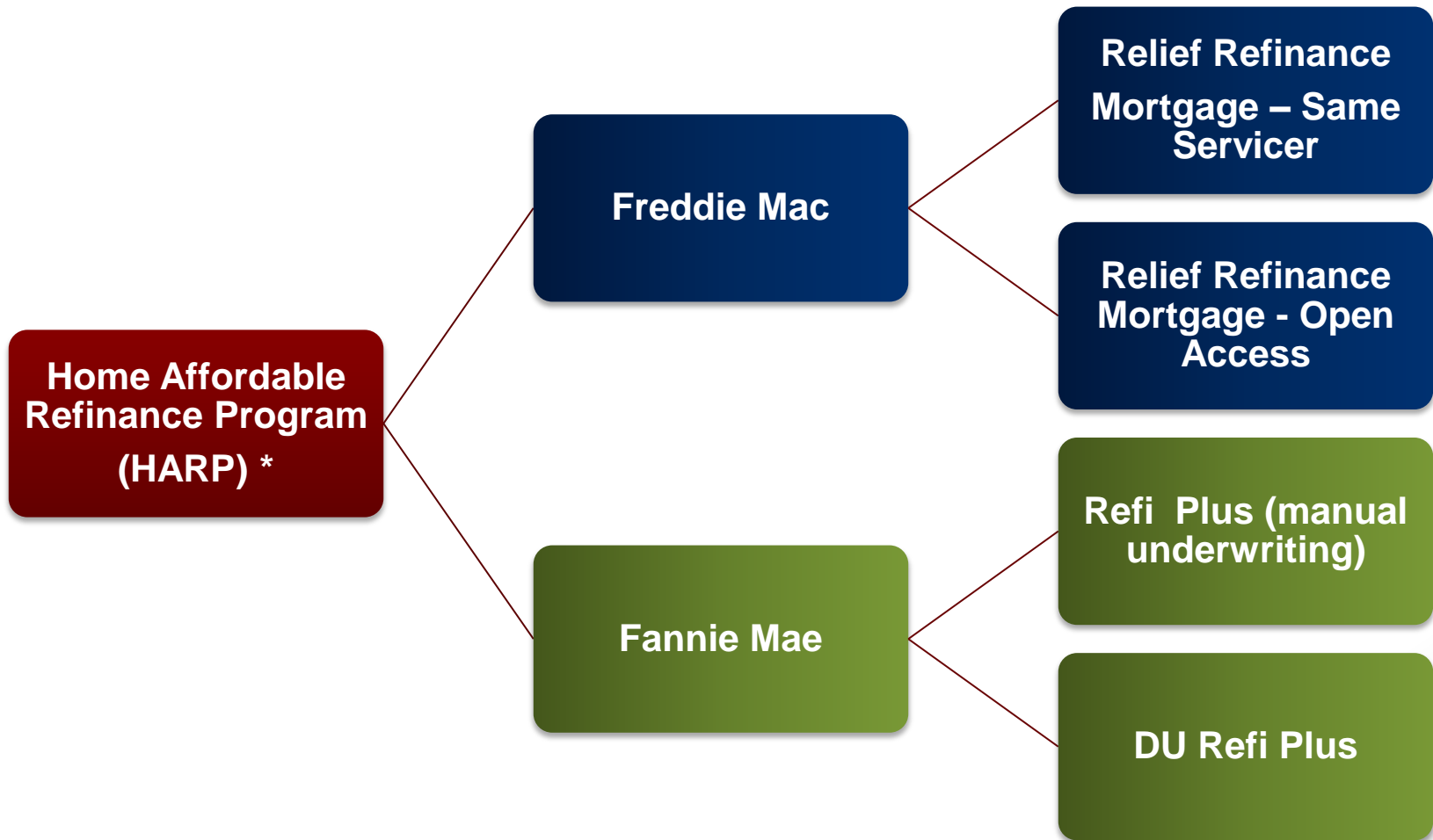
Home Affordable Refinance Program (HARP)

On October 24, 2011, the Federal Housing Finance Agency (FHFA), with Fannie Mae and Freddie Mac, announced a series of changes to the HARP program in an effort to attract more eligible borrowers who can benefit from refinancing their home mortgage.

What changes did the FHFA make to HARP?

- **Elimination of certain risk-based fees for borrowers who refinance into shorter-term mortgages**
- **Removing the current 125 LTV ceiling for fixed-rate mortgages**
- **Waiving certain representations and warranties**
- **Eliminating the need for a new property appraisal where there is a reliable AVM**
- **Extending the end date for HARP until 12/31/13 for loans originally sold on or before 5/31/09**

GSE Programs Supporting HARP



*Further program details can be found in Fannie Mae's Selling Guide Announcement SEL-2011012 or Freddie Mac's Bulletin 2011-22, both dated November 15, 2011. In addition both Fannie Mae and Freddie Mac offer program comparisons and FAQs in the resource section of their websites.

HARP 2.0 - GSE Guideline Highlights

Payment History*	0 x 30 within past six months and no more than 1x30 in the most recent months 7-12.
LTV	No maximum LTV for fully amortizing fixed rate mortgages with terms up to 30 years. A max LTV of 105% applies on terms greater than 30 up to 40 years and for eligible ARM products. (DU/LP effective date March 2012)
Debt-to-Income*	No max DTI when the P & I payment on the new loan increases by 20% or less. A max DTI of 45% applies when new P & I payment increases by more than 20%.
FICO*	No minimum FICO score except in the case of the new P & I payment increasing by more than 20%, at which time a minimum FICO score of 620 is required.
Benefit to Borrower	The transaction must present a benefit to the borrower.
Occupancy	A change in occupancy is eligible.
Expiration Date	Note date of new mortgage must be on or before December 31, 2013.

* Guideline specific to manual underwrite - Fannie Mae Refi Plus and Freddie Mac Relief Refinance

Radian's HARP Eligible Modification Program

- One program for both same and new servicer (prior programs retired)
- All qualifying loans will be treated as modifications - this includes both Same and New Servicer
 - Removal of the LTV ceiling limits Radian from issuing a new certificate
- Radian will no longer require submission of a HARP loan application package for underwriting review

Radian's HARP Eligible Modification Program

Significant Policy Changes

- Removing the current loan-to-value (LTV) ceiling for fixed-rate mortgages with terms of 30 years or less
- Waiving certain lender representations and warranties for the refinanced loans
- Reducing the need for a new property appraisal
- Extending the deadline to December 31, 2013

Program Eligibility

Current Loan

1. Loan is currently insured by Radian.
 - DU Findings / LP Feedback evidencing HARP eligibility will include MI insurer name, certificate # and coverage %
2. The loan being refinanced is a first lien conventional mortgage currently owned or securitized by Fannie Mae or Freddie Mac.
3. The existing loan has a Fannie Mae or Freddie Mac settlement date on or before May 31, 2009.
4. The loan is performing as defined by Fannie Mae/Freddie Mac.
5. The lender submitting the modification request must also be the insured party on the new loan or their authorized servicer.
6. The insured lender/servicer is an active Master Policy holder.

Underwriting Eligibility

Radian Eligibility*

The new HARP loan must be underwritten, approved and closed in compliance with all respective Fannie Mae/Freddie Mac HARP underwriting guidelines and program requirements. Radian's extension of current coverage to the new HARP loan relies strictly on the insured lender/servicer's compliance certification.

* A Delegated Underwriting Authority Endorsement is not required in order for the lender to certify HARP compliance for certificate modification purposes.

GSE Eligibility

Please see Fannie Mae/Freddie Mac websites for complete underwriting guideline and program requirement details.

HARP loan packages will no longer be accepted for underwriting or compliance review.

Modified Certificate - Specifics

Coverage Percentage	The percentage of coverage in force at the time of the original certification remains in place at the time of modification.
Pricing	Mortgage insurance premiums are based on the rate factor effective at the time of the original certificate. This rate factor will be applied to the new loan amount which could account for a change in the MI premium payment.
Products	Radian will allow a current LPMI certificate to convert to BPMI upon completion of the new HARP transaction. BPMI may convert to LPMI. This does not apply to loans included in a pool.
Payment Frequency / Renewal Option	The payment frequency (i.e., monthly, annual, single) and renewal type (i.e., constant, declining) remains the same as in effect at the time of the original certificate.
Premium Refunds	Refunds, if applicable, follow standard refund procedures.

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