

PRIMARY RESIDENCE

PURCHASE & RATE/TERM REFINANCE

	MAX LTV	FULL DOC PRIME			FULL DOC NON-PRIME		
		MAX LOAN AMOUNT	MIN FICO SCORE	MAX DTI	MAX LOAN AMOUNT	MIN FICO SCORE	MAX DTI
1 Unit Single Family (including detached condominium and detached PUD)	90	\$ 417,000	720	41	\$ 417,000	720	41
Attached Condominium/Attached PUD*	90	\$ 417,000	720	41	\$ 417,000	720	41

* Attached condominiums and attached PUDs must be originated as retail loans.

MAXIMUM FINANCING CONCESSIONS

Closing costs and/or pre-paid expenses typically paid by the borrower, but paid on behalf of the borrower by an interested party, are limited to 3%.

DOCUMENTATION WAIVERS

- Full Documentation Prime loans within the standard conforming loan limits (\$417,000 for 1 unit) receiving DU Approve/Eligible or LP Accept/Eligible that include waiver of income or asset documentation, and validated/closed per the findings, are eligible as full documentation.
- Full Documentation Non-Prime loans require traditional full documentation or alternative documentation (pay-stubs, bank statements) as defined by standard Fannie Mae/Freddie Mac guidelines and are not eligible for documentation waivers from DU or LP.

SUBMISSION REQUIREMENTS

DOCUMENTATION

- All MI applications must be supported in lender's file with complete documentation at time of application to Radian, including:
 - 1003
 - Credit report
 - AUS Findings, if applicable
 - Income, employment, and asset documentation
 - Completed and executed agreement of sale, if a purchase
- Appraisal not required when MI is ordered, but lender must advise Radian of any change in appraised value.
- MI applications must include complete legal subject property address (lot number or subdivision name acceptable when property is proposed or under construction) and appraised value.

DELEGATED

- Completed Radian MI application and 1008
- Investor, program name, automated underwriting system and response (if applicable), and FICO score must be clearly noted on MI application or 1008.
- Appropriate product type must be clearly noted in the Radian product section of the MI application.

NON-DELEGATED

In addition to the delegated requirements, submission must include a fully documented loan file.

SUBMISSION DATES

Radian will not accept BPMI loans after the loan closing/funding date and LPMI loans after the first payment due date.

DOCUMENT QUALITY

Regardless of documentation used to provide information for the loan application, the document must be legible and free of any alterations, erasures, "white outs," or similar indications that changes have been made.

REPRESENTATIVE FICO SCORE

Radian will underwrite mortgage insurance based on the lowest representative FICO score of all borrowers; at least two national repositories must be checked for each borrower.

The representative FICO score for each borrower will be determined as follows:

- If two scores are provided, the lower score will be used.
- If three scores are provided and two are identical, the identical score will be used.
- If three scores are provided, the middle score will be used.

Borrowers with non-traditional credit are ineligible for Radian mortgage insurance.

QUALIFYING RATIOS

DEBT-TO-INCOME RATIO (DTI)

Borrower DTI includes all monthly debts as defined in Fannie Mae/Freddie Mac guides, divided by monthly qualifying income.

ADJUSTABLE RATE MORTGAGE (ARM)

- All ARMs with initial rate adjustment periods less than 60 months must be qualified using the higher of the Note Rate or the fully indexed accrual rate (margin plus index value), also referred to as FIAR; all other ARMs may qualify at the start rate.
- Radian requires that all ARMs include an interest rate cap; see ARM Interest Rate Caps table at right.

TEMPORARY BUYDOWNS

- Fixed rate loans and ARMs with initial adjustment period less than 60 months must qualify using higher of Note Rate or fully indexed accrual rate (margin plus index value), also referred to as FIAR.
- ARMs with initial interest rate adjustment period of 60 months or more may qualify using start rate.

PROPERTY QUALIFICATIONS/RESTRICTIONS

APPRAISAL REQUIREMENTS

- The appraisal may not be more than 120 days old at the time of submission for mortgage insurance. Recertification of value is not permitted.
- Radian requires that all appraisals conform to FHFA's *Home Valuation Code of Conduct* and be compliant with the Uniform Standards of Professional Appraisal Practice (USPAP).
- The appraisal requires an interior and exterior inspection. The report form must be appropriate to the property type or transaction per Fannie Mae/ Freddie Mac requirements (URAR or property type – specific equivalent).

MAXIMUM LOANS TO ONE BORROWER POLICY

MAXIMUM MORTGAGE INSURANCE RISK EXPOSURE

Mortgage insurance insured risk exposure is calculated using original loan amount times percentage of MI coverage.

Example A \$100,000 mortgage with 25% coverage equals \$25,000 mortgage insurance risk exposure.

- Radian's maximum risk exposure to one borrower is the lesser of:
 - \$300,000 aggregate insured risk exposure OR
 - Two (2) insured properties, only one of which may be a primary residence.

DOCUMENTATION TYPES

For a comprehensive description of the documentation types Radian will accept, please see the Radian Documentation Types located at www.radian.biz/mortgage/rates.aspx.

LOAN FEATURES

BORROWER EQUITY

The borrower is required to have minimum equity or down payment from their own funds of 10%. Borrower equity cannot be provided from outside sources with vested interest in the transaction.

GIFT FUNDS

- Borrowers who have satisfied the minimum borrower equity requirement from their own funds can use gift funds from immediate family members (such as a spouse, parent, child, grandparent or sibling) to increase down payment, pay part of the closing costs or supplement reserves.
- Gift documentation meeting Fannie Mae/Freddie Mac requirements must be obtained.

UNSECURED LOAN FUNDS

Not an acceptable source of down payment.

GRANT FUNDS

Grants from state/municipal/housing authorities and non-profits are acceptable, provided the borrower(s) has the minimum equity/down payment, no lien for grant is created against subject property, and repayment of grant is not required; documentation of grant terms is required.

RESERVES

- Two (2) months' reserves, regardless of AUS response.
- In the case of a conversion of principal residence, six (6) months reserves for both the subject property and current property are required. Reduced reserves of no less than two (2) months for both properties may be considered if there is documented equity of at least 30% in the current property.

REFINANCES

Cash-out, and streamline refinances are ineligible.

LOAN REPAYMENT TYPES

ADJUSTABLE RATE MORTGAGE (ARM)

ELIGIBILITY

Full Doc Non-Prime ARMs with initial fixed term less than 5 years are ineligible.

INTEREST RATE CAPS

ARM product	Initial cap	Periodic cap	Lifetime cap
Full Documentation Prime			
1-2 Year	2%	2%	6%
3 Year	3%	2%	6%
>= 5 Year	5%	2%	5%

Full Documentation Non-Prime

- < 5-year initial interest rate adjustment period is ineligible
- >= 5 Year 5% 2% 5%

INTEREST ONLY

Interest Only loans are ineligible.

LOAN TERM

Loans with an amortization period and/or a note term greater than 40 years are subject to some restrictions; see Radian's full Underwriting Guidelines for details.

TEMPORARY BUYDOWNS

- Primary residences eligible with a maximum 3-2-1 buydown.
- Eligible up to maximum financing.
- Must meet Fannie Mae/Freddie Mac requirements.

FULL DOC NON-PRIME DEFINITION

- Any loan where the lender indicates that the loan is subprime or A Minus OR
- Any loan with the following AUS responses:
 - DU EA-1/Eligible
 - DU EA-2/Eligible
 - DU EA-3/Eligible
 - LP Caution/Eligible A-Minus

RESTRICTIONS

INELIGIBLE LOAN FEATURES

- Certain AUS responses:
 - DU APPROVE/INELIGIBLE
 - DU EA/INELIGIBLE
 - DU EA-4
 - DU REFER or DU REFER with CAUTION
 - EA-1, EA-2, EA-3 from DU versions prior to 7.0
 - LP ACCEPT/INELIGIBLE
 - LP REFER
 - LP CAUTION/ELIGIBLE
 - LP CAUTION/INELIGIBLE
 - OUT OF SCOPE

- FICO scores below 720
- Potential or scheduled negative amortization
- Loans with ANY of the following characteristics:
 - Cash-out refinance loans
 - 2 to 4-unit properties
 - Second homes
 - Streamline refinance loans
 - Interest Only loans
 - Non-traditional credit
 - No Income/No Assets (NINA) loans
 - No Ratio loans
 - No Doc loans
 - Stated assets
 - Stated employment
 - Stated income
 - Investment properties

- Full Doc Non-Prime loans with the following characteristics:
 - ARM loans with initial fixed term less than 5 years

INELIGIBLE PROPERTY CATEGORIES

- 2-4 units
- Cooperatives
- Manufactured housing
- Construction-to-Permanent
- Condominiums
- Single-wide manufactured homes
- Mobile homes
- Time-share properties
- Lot loans
- Manufactured housing site condominiums
- Model home leasebacks
- Non-retail originated attached condominiums and attached PUDs

INELIGIBLE LOAN CATEGORIES

- Programs/transactions for which Radian offers no published rates
- Government loans (FHA/VA/Rural Housing Service)
- Second mortgages
- Credit upgrades
- Wraparound mortgages
- Blanket mortgages
- Interim construction loans
- Graduated payment mortgages
- Reverse mortgages

INELIGIBLE APPLICATION TYPES

Pre-qualifications or "pre-approvals" without complete documentation or property information.