



## HARP Eligible Modification Program

In support of the Home Affordable Refinance Program (HARP) administered by Fannie Mae and Freddie Mac at the direction of the Federal Housing Finance Agency.

Effective December 15, 2011, Radian's MI Performing Refinance Policy and MI Performing Modification Policy are retired and replaced by Radian's HARP Eligible Modification Program.

This Program is offered exclusively in support of the expanded HARP initiative and applies only to Radian-insured performing loans currently owned by Fannie Mae or Freddie Mac. It allows for current Radian mortgage insurance coverage to be extended to the new HARP refinance loan, providing more opportunity to those homeowners who can benefit from refinancing their current mortgage.

Radian's HARP Eligible Modification Program incorporates HARP eligibility and program enhancements resulting in two significant policy changes:

- 1) Radian will now issue a Certificate of Insurance Endorsement for Loan Modification on all Radian insured loans refinanced under HARP. This includes both Same and New Servicer transactions.
- 2) Radian will no longer require submission of a HARP loan application package for underwriting review.

The Insured/Servicer is responsible to ensure the loan file is HARP eligible and has been properly underwritten. Radian's extension of current coverage to the new HARP loan relies strictly on the Insured/Servicer's certification that the new loan has been underwritten, approved and closed in compliance with all applicable HARP underwriting guidelines and program requirements. Radian does not impose additional underwriting overlays. As a result of this certification, and the ensuing benefit of the HARP refinance, Radian will not:

- Perform quality control audits to verify HARP underwriting accuracy.
- Perform an underwriting review at time of claim filing.
- Rescind coverage due to HARP credit or underwriting related issues.

The existing certificate is modified and coverage extended resulting in no new mortgage insurance issued, therefore; the Insured Lender/Servicer's Master Policy need not include a delegated underwriting authority endorsement in order to certify the eligibility of the new HARP loan. All rights under the Master Policy regarding servicing practices are retained by Radian on the modified certificate and Radian retains the right to request the new HARP loan file.

In an effort to facilitate the lender's HARP loan process, Radian will:

- 1) Use one document to identify and complete the modification request, the *Notification of Mortgage Insurance Modification* or the *HARP Performing* spreadsheet for bulk requests.
- 2) Provide a Letter of Intent to Modify which includes the mortgage insurance coverage specifics necessary for the Insured Lender/Servicer to close the loan.

Complete details of Radian's current program are provided below. While these may reflect the most recent HARP enhancements incorporated by Fannie Mae and Freddie Mac, they do not fully detail or represent Fannie Mae or Freddie Mac HARP underwriting guidelines or program requirements. Insured Lender/Servicers are strongly advised to review complete HARP underwriting guidelines and program requirements located on Fannie Mae's or Freddie Mac's website prior to making the respective guideline and program compliance certification.

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## Program Eligibility

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Loan is currently insured by Radian.

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The loan being refinanced is a first lien conventional mortgage currently owned or securitized by Fannie Mae or Freddie Mac.

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The existing loan has a Fannie Mae/Freddie Mac settlement\* date on or before May 31, 2009.

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The loan is performing as defined by Fannie Mae/Freddie Mac.

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The lender submitting the post-close modification request must also be the insured party on the new loan or their authorized servicer.

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A New Servicer HARP transaction requires that the Insured Lender/Servicer be an active Master Policy holder.

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*\*date the loan was actually purchased by Fannie Mae or Freddie Mac*

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## Underwriting

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### Radian Eligibility

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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 will accept the terms contained within a documented HARP eligibility variance issued directly to the lender by Fannie Mae or Freddie Mac.

Radian's extension of current coverage to the new HARP loan (via a modification) relies strictly on the Insured Lender/Servicer's compliance certification.

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### GSE Eligibility

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

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### HARP Highlights

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- Loan-to-Value: (DU/LP effective date March 2012) No maximum LTV for fully amortizing fixed rate mortgages with terms up to 30 years. A maximum LTV of 105% applies on terms greater than 30 up to 40 years and for eligible ARM products.
  - Benefit to the Borrower: The transaction must present a benefit to the borrower. This can occur through a reduction in the interest rate, loan amortization term, or monthly principal and interest payment. This can also result from the move to a more stable mortgage product.
  - Occupancy: A change in occupancy is eligible and not restricted to occupancy as originally represented.
  - Expiration Date: New mortgage must have note dates on or before December 31, 2013.
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## **Underwriting**

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### **Loan File**

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HARP loan packages are not accepted for MI or contract underwriting by Radian.

Radian's modification of the existing certificate results from the Insured Lender/Servicer's certification that the loan is HARP eligible. The Insured Lender/Servicer is not required to have delegated underwriting authority in order to provide this certification.

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## **Modified Certificate Specifics**

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### **Coverage Percentage**

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The percentage of coverage in force at the time of original certification remains in place at the time of modification. No change to the percentage of coverage issued is available.

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### **Pricing**

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Mortgage insurance premiums are based on the rate factor of the original certificate effective at the time of the HARP transaction.

Although the premium rate factor remains the same, the payment amount may change as the original premium rate factor is applied to the new loan amount.

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### **Products**

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Radian will allow a current LPMI certificate to convert to BPMI upon completion of the new HARP transaction. Likewise BPMI may convert to LPMI. This does not apply to loans included in a pool.

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### **Payment Plan Frequency**

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The payment plan frequency (monthly, annual, single) in effect on the original certificate remains the same. This applies to BPMI/LPMI product changes.

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### **Renewal Option**

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The renewal option (constant, declining) in effect on the original certificate remains the same.

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### **Premium Payment**

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Radian's deferred premium payment option is available only at the time of original certification and consequently not available on a HARP refinance loan. Premium payments must continue as scheduled in order for existing coverage to be extended and remain in force.

*Premium billing details are identified on Radian's HARP Process Map, "HARP Process for New/Same Servicer," located in the Quick Links section on the Servicer page of our website.*

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### **Premium Refunds**

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Refunds, if applicable, follow standard refund procedures.

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### **MI Cancellation**

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The applicable provisions of the Home Owner's Equity Protection Act (HOEPA), which allow for the cancellation of mortgage insurance, apply to the terms of the new HARP loan.

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## Process Details

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For prompt attention to your request, please note the following:

The most efficient way to submit a HARP modification request is online through Radian's secure website. This submission method will receive priority service and provide immediate confirmation of the request.

You can also notify Radian of loan detail updates/changes online by re-submitting the *Notification of Mortgage Insurance Modification* using Radian's secure website. This submission method will receive priority service and provide immediate confirmation of the request.

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### Initial Submission Request (at time of origination)

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Confirm Radian is the MI provider and obtain the certificate number.

For loans submitted through DU/LP, the MI provider, certificate number and coverage percentage is available through the AUS Findings/Feedback Report.

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To validate current Radian coverage, please contact Customer Care at 877.RADIAN1 (723.4261).

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Radian provides several submission options, allowing for single or multiple loan requests.

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To begin, obtain the *Notification of Mortgage Insurance Modification*, single loan, or the *HARP Performing* spreadsheet, multiple loans, located in the *Quick Links* section at <http://www.radian.biz/page?name=HASPSameServicerPerf>.

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For fastest service, submit the *Notification of Mortgage Insurance Modification* online using Radian's secure website. Identify the request as "Initial HARP Request" and complete the required pre-closing data. This method is the most efficient and provides immediate confirmation of the request.

In the event online submission is not possible, complete the required pre-closing data elements identified on the Excel version of *Notification of Mortgage Insurance Modification* or the *HARP Performing* spreadsheet and secure email the typed form to [certmods@radian.biz](mailto:certmods@radian.biz). This method will result in a longer processing time.

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No additional documentation (loan file) is requested or accepted for underwriting review.

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### Radian's Notification Process

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Upon receipt of the *Notification of Mortgage Insurance Modification* or the *HARP Performing* spreadsheet with the required pre-closing data elements, Radian will return to the requestor a Letter of Intent to Modify. Delivery time is dependent upon the submission method. The online submission method will receive the fastest response.

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The Letter of Intent to Modify will include the following information needed to complete the transaction:

- Radian certificate number; lender's existing and new loan number
  - Original certificate effective date; coverage%
  - Modified loan amount
  - Payment Plan including BPMI or LPMI and renewal type
  - Premium due along with premium rate and renewal rate
  - Tax/assessment rate and tax/assessment due, if applicable
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## Process Details

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### Subsequent Loan Detail Updates/ Changes (during the loan process)

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For fastest service, notify Radian of loan detail updates/changes by re-submitting the *Notification of Mortgage Insurance Modification* online using Radian's secure website. Identify the request as "Update/Change HARP Request" and edit the fields as necessary to reflect loan detail updates/changes.

In the event online submission is not possible, notify Radian of loan detail updates/changes by emailing [certmods@radian.biz](mailto:certmods@radian.biz). Please identify the nature of your request in the subject line of your email along with the MI certificate number. This method will result in a longer processing time. Do not re-send the *Notification of Mortgage Insurance Modification* or the *HARP Performing* spreadsheet.

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Radian will return an updated Letter of Intent to Modify reflecting the revised loan details.

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### Request Completion (post-closing)

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Once the Insured Lender/Servicer has fully underwritten, approved and closed the loan in compliance with applicable Fannie Mae/Freddie Mac HARP underwriting guidelines and program requirements, it is necessary to notify Radian of the closing date.

- For fastest service, submit the *Notification of Mortgage Insurance Modification* online using Radian's secure website. Select "Finalize HARP Request" and complete the required post-closing data and certification.
  - In the event online submission is not possible, secure email the typed *Notification of Mortgage Insurance Modification* or the *HARP Performing* spreadsheet with the required post-closing data elements and lender certification to [certmods@radian.biz](mailto:certmods@radian.biz). This method will result in a longer processing time.
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Upon receipt of the fully executed *Notification of Mortgage Insurance Modification* or *HARP Performing* spreadsheet, Radian will complete the modification and provide, upon request, the Certificate of Insurance Endorsement for Loan Modification. The modification endorsement will identify the current insured and new HARP loan transaction details.

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Radian must be notified within thirty days of the HARP loan closing date for the loan to be modified and coverage to remain in effect. Failure to notify Radian in a timely manner will result in the cancellation of the modification request.

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