

CUSTOMER ANNOUNCEMENT

CUA 2018-03 | June 26, 2018

► Fannie Mae Announcement SEL-2018-05—Selling Guide Updates, Including Project Standard Updates and MH Advantage

The following is the position of Arch Mortgage Insurance Company (Arch MI) on the topics covered in Fannie Mae Announcement SEL-2018-05.

MH Advantage

Fannie Mae has introduced a new MH Advantage™ initiative that expands underwriting requirements for specific styles of manufactured homes. The primary expansion is to allow manufactured homes that meet specific requirements to a maximum 97%/105% LTV/CLTV.

Arch MI will not align with these changes. All Arch MI manufactured home underwriting requirements will remain the same, including our maximum 95%/95% LTV/CLTV for EZ DecisioningSM/CU SwiftClose[®] and 90%/90% LTV/CLTV for standard underwriting requirements.

Inspection of Manufactured Homes with Structural Modifications

Fannie Mae adjusted inspection requirements specific to manufactured homes with an addition or structural modification. Effective immediately, Arch MI **will align** with this change as outlined in SEL 2018-05.

Project Standard Updates

Fannie Mae has updated its requirements for project standards. Effective immediately, Arch MI **will align** with the changes as outlined in Fannie Mae SEL-2018-05 for loans saleable to the Agencies including:

- Single-entity ownership.
- Commercial space.
- Definition of an Established Project.
- Two- to four-unit condo requirements.
- Properties with legal non-conforming zoning.
- Definition of a Condotel.
- Live-work condo projects.
- All changes related to the method for Fannie Mae Project Approvals. As a reminder, projects that include manufactured homes remain ineligible under Arch MI Standard underwriting requirements and singlewide manufactured homes remain ineligible for both EZ Decisioning/CU SwiftClose and standard requirements.

For condominiums not verified to be saleable to the Agencies, considered by Arch MI to be Non-Warrantable Condominiums, we will align with the changes as described above. However, the method for project approval requirements does not apply to our insurance review for Non-Warrantable Condominiums. Non-Warrantable Condominiums remain eligible for mortgage insurance (see Arch MI's [Credit Union Underwriting Manual](#) for complete details).

Arch MI Underwriting Manual Update

The Non-Warrantable Condominium section of our **Credit Union Underwriting Manual** will require updating upon the next release. However, the requirements that we are aligning with are effective immediately. You may underwrite to the information in this announcement until the Manual is updated.

For more information, please contact your **Arch MI Account Manager**.