

# Reduced Coverage Medical and Dental Professionals Program

Effective February 28, 2025



Arch Mortgage Guaranty Company's (AMGC's) Reduced Coverage Program provides expanded underwriting requirements for borrowers whose professions indicate strong earning potential but who may also have high debt-to-income (DTI) ratios due to student loans and/or employment beginning post-closing. In addition, it also offers 100% LTV and reduced MI coverage options.

BENEFITS	ELIGIBLE PROFESSIONALS	
<ul style="list-style-type: none"> <li>No borrower-paid mortgage insurance.</li> <li>100% financing up to \$850,000.</li> <li>Reserves as low as two months.</li> <li>Employment may begin up to 90 days after closing.</li> <li>Student debt is excluded for any eligible professional with 12 months deferment or forbearance.</li> </ul>	<ul style="list-style-type: none"> <li>Medical Resident.</li> <li>Medical Fellow.</li> <li>Medical Doctor (MD).</li> <li>Doctor of Dental Surgery (DDS).</li> <li>Doctor of Dental Medicine (DMD).</li> <li>Doctor of Optometry (OD).</li> </ul>	<ul style="list-style-type: none"> <li>Doctor of Ophthalmology (MD).</li> <li>Doctor of Podiatric Medicine (DPM).</li> <li>Doctor of Osteopathy (DO).</li> <li>Pharmacist (RPh).</li> <li>Chiropractor (DC).</li> <li>Doctor of Veterinary Medicine (DVM).</li> <li>Certified Registered Nurse Anesthetist (CRNA).</li> </ul>

## MI PRICING AND COVERAGES AVAILABLE

- RateStar® pricing, Lender-Paid (LPMI) Singles only.
  - Available Coverage:
    - 97.01%–100% LTV — 12%.
    - 95.01%–97% LTV — 8%.
    - 90.01%–95% LTV — 6%.
  - MI coverage will be terminated by AMGC upon the earlier of the scheduled or actual amortization of the loan amount down to an LTV less than 90%.
    - Prior to participation in the program, the lender must execute an acknowledgment form directing AMGC to

cancel coverage at the designated LTV level. Please contact your **Account Manager** to obtain the form.

- This program has not been approved for lenders with home offices in the following states: Alaska, Hawaii, New York, Ohio and Washington.

## GENERAL INFORMATION

- When submitting a loan for MI or requesting a rate, you must enter the program name: **Reduced Coverage Medical/Dental Program**.
- No exceptions** to this program's requirements are allowed.

## LTV/Loan Amount/Credit Score/DTI Requirements

### Eligible Loan Types — Fixed-Rate/Fixed-Payment and ARMs

RateStar Pricing Only							
OCCUPANCY	TRANSACTION TYPE <sup>1</sup>	PROPERTY TYPE	MAXIMUM LTV	MAXIMUM LOAN AMOUNT	MINIMUM CREDIT SCORE	MAXIMUM DTI	PITIA RESERVES <sup>2</sup>
Primary Residence (only)	Purchase or Rate/Term Refinance	1-Unit, SFD/SFA, Condo, Co-op <sup>4</sup>	97.01%–100% <sup>3</sup>	\$650,000	720	43%	2 Months
				\$650,001–\$850,000	740		
			90.01%–97%	\$850,000	620	45%	2 Months
				\$850,001–\$1,000,000	680		
			90.01%–95%	\$1,000,001–\$1,250,000	700	45%	6 Months

<sup>1</sup> Construction-to-permanent loans and renovation loans are also included.

<sup>2</sup> See "Additional Reserves" below.

<sup>3</sup> Construction-to-permanent loans and renovation loans are ineligible for LTVs > 97%.

<sup>4</sup> Co-op eligibility is limited to California, Connecticut, Illinois, Massachusetts, Maryland, New Hampshire, New Jersey, New York, Virginia, Washington and the District of Columbia.

# Additional Underwriting Requirements

## STUDENT LOAN DEBT

- Student loan debt belonging to the borrower with the eligible profession may be excluded from the DTI calculation with documentation to evidence deferment or forbearance for at least 12 months after the MI application date. Student loan debt for all other borrowers must be included in the DTI.
- **Medical resident only:** Medical residents with a minimum of 6 months' residency remaining may use the alternative documentation listed below as evidence the student loan will be in deferment for at least 12 months:
  - Letter from employer verifying the medical resident's start date, or
  - Letter from the employer verifying at least 6 months' residency remaining.

## POST-CLOSING EMPLOYMENT START DATE

- Employment for the borrower with the eligible profession may begin up to 90 days after loan closing when:
  - A non-contingent, fully executed (accepted) employment contract or offer letter is documented in the loan file.
  - A verbal Verification of Employment (VOE) has been conducted to confirm authenticity of the employment documentation prior to closing.

## MINIMUM BORROWER CONTRIBUTION

- 97.01%–100% LTV — No minimum contribution required.
- Loan amounts up to \$850,000 — 3% minimum borrower contribution.
- Gifts/grants may be used to satisfy the minimum borrower contribution when all the following are met:
  - Maximum \$850,000 loan amount.
  - Minimum 740 credit score.

- Maximum 41% DTI.
- Fixed-rate/fixed-payment or ARMs greater than 5 years only.
- Loan amounts > \$850,000 — All funds must come from borrower.

## ADDITIONAL RESERVES

- When employment begins post-closing, the following additional reserve requirement applies:
  - Reserves are required for each month after the Note date until employment begins.

## OTHER REQUIREMENTS

- All borrowers must have a credit score.
- Construction-to-permanent loans and renovation loans:
  - Maximum 97% LTV.
- **Ineligible:**
  - Desktop Underwriter® and Loan Product Advisor® documentation efficiencies.
  - Non-occupant borrowers.
  - Subordinate financing.
  - Manufactured homes.
  - Interest-Only Program Loans.
  - AMGC Community Heroes Program Loans.
  - AMGC EqualAccess Homeownership Program Loans.
  - AMGC Professional, Non-Medical Experts Program Loans.

This document provides an overview of the underwriting requirements for the Reduced Coverage Medical and Dental Professionals Program. Any underwriting requirement not mentioned within this document will defer to the AMGC underwriting requirements. **See the [AMGC Underwriting Manual](https://archmi.com/amgc) for details at [archmi.com/amgc](https://archmi.com/amgc).**