

## CUSTOMER ANNOUNCEMENT

CUA 2020-12 | December 8, 2020

### ► Conforming Loan Limits Increase for 2021

On November 24, 2020, the Federal Housing Finance Agency (FHFA) announced that the conforming loan limits for Fannie Mae and Freddie Mac will be increasing effective for loans delivered on or after January 1, 2021. Arch MI will support the new loan limits as detailed below.

#### **1-Unit Properties (SFA, SFD, Condos, Co-ops and Manufactured Housing) — All Occupancy Types:**

##### **EZ Decisioning<sup>SM</sup> and Standard Underwriting Requirements:**

- Wherever our current maximum loan amount is \$510,400, it will increase to \$548,250.
- Wherever our current maximum loan amount is \$765,600, it will increase to \$822,375.
- All other maximum loan amounts for 1-unit properties will remain the same.

#### **2–4 Unit Primary Residences:**

##### **EZ Decisioning and Standard Underwriting Requirements:**

- Wherever our current maximum loan amount for a 2-unit primary residence is \$980,325, it will increase to \$1,053,000.
- Wherever our current maximum loan amount for a 3-unit primary residence is \$789,950, it will increase to \$848,500.
- Wherever our current maximum loan amount for a 4-unit primary residence is \$981,700, it will increase to \$1,054,500.

#### **Additional Information**

##### **Section 3.03.01.01, Loan Amounts of \$765,601–\$850,000 for 1-Unit Properties**

Due to the significant increase in the High Balance Conforming loan limits, Arch MI is eliminating this section of the Credit Union Underwriting Manual. Therefore, effective immediately, the additional requirements listed below for these loan amounts will be removed:

- All borrowers must have a credit score.
- For purchase transactions, 6 months' reserves are required.
- For rate/term refinance transactions, no reserves are required.
- The Fannie Mae/Freddie Mac manual underwriting documentation requirements for income and assets must be followed.
- Maximum interested-party contribution: 3%.

In addition, section 3.03.01.02, Loan Amounts \$850,001–\$1,500,000 of the Credit Union Underwriting Manual will be renumbered to section 3.03.01.01.



## **Updates to Arch MI Credit Union Underwriting Manual and Supporting Documents**

The Credit Union Underwriting Manual and all supporting documents will be updated by mid-January 2021; however, you may begin using the new loan amounts immediately.

### **DU Approve/Ineligible or LPA Accept/Ineligible (For Loan Amount Only)**

Loans that receive a Desktop Underwriter® (DU®) Approve/Ineligible or Loan Product Advisor® (LPA) Accept/Ineligible (for loan amount only), were underwritten with DU or LPA prior to their system updates and are within Arch MI's new maximum loan amounts stated above will be eligible for insurance under Arch MI's EZ Decisioning<sup>SM</sup> program when all other underwriting requirements are met.

### **Arch MI Underwriting System Edits**

All underwriting requirement system edits impacting the MI rate quote and application were updated on December 4, 2020. If you encounter an issue with receiving a rate quote or have any other questions about this announcement, please contact your [Arch MI Account Manager](#).