

CUSTOMER ANNOUNCEMENT

CUA 2021-04 | June 7, 2021

▶ Arch MI Underwriting Requirement Changes Effective June 7, 2021

Effective for MI applications dated on or after June 7, 2021, Arch MI is updating its underwriting requirements.

The [Arch MI Credit Union Underwriting Manual](#) and all supporting documents will be updated on our website, and all system updates will be completed by the effective date.

See the details of changes listed below.

Topic/Section	Change/Clarification
Delegated Submissions, Section 1.04.02	Removed section 3.02.01, Unacceptable DU and Loan Product Advisor Recommendations, as a section that has different underwriting requirements for delegated and non-delegated submission.
Commitment Extensions, Section 1.05.01.03	Clarified that extensions to commitments are considered on a case-by-case basis and the contact information for our Servicing department has been added.
EZ Decisioning Underwriting — LTV/Loan Amount/Credit Score/DTI Requirements, Section 2.01	Updated to allow the base conforming loan amount for properties located in AK or HI (currently \$822,375).
Standard Underwriting — LTV/Loan Amount/Credit Score/DTI Requirements, Section 3.03	
New Subordinate Financing, Section 3.03.03.01	
New Subordinate Financing, Section 3.03.03.02	
Minimum Borrower Contribution from Borrowers' Own Funds, Section 3.11.01.01	
Non-Traditional Credit, Section 3.12.02.01	
EZ Decisioning — Additional Underwriting Requirements, Section 2.02	
Ineligibility Matrix, Section 3.04	Clarified that loan-to-value ratios less than or equal to 80% are ineligible for Borrower-Paid Mortgage Insurance.
Unacceptable DU and Loan Product Advisor Recommendations, Section 3.02.01	<p>This section was renamed "DU and Loan Product Advisor Recommendations other than Approve/Eligible and Accept/Eligible."</p> <p>In addition, loans that receive one of the following recommendations will now be eligible for delegated submissions. They may be submitted either delegated or non-delegated; however, they must meet all of our Standard underwriting requirements.</p> <ul style="list-style-type: none"> ▪ DU Refer with Caution. ▪ Loan Product Advisor Caution A-minus eligible. ▪ Loan Product Advisor Caution.
Standard Underwriting — LTV/Loan Amount/Credit Score/DTI Requirements, Section 3.03	Updated to remove the maximum loan amount of \$850,000 for biweekly mortgages. Biweekly mortgages will now be eligible for all loan amounts offered in the Underwriting Manual.
Loan Amounts \$850,001–\$1,500,000 for 1-Unit Properties — Additional Underwriting Requirements, Section 3.03.01.01	
Biweekly Mortgage, Section 3.07.04	
Loan Amounts \$850,001–\$1,500,000 for 1-Unit Properties — Additional Underwriting Requirements, Section 3.03.01.01	Clarified that for loan amounts greater than \$1,000,000, either a third-party field review appraisal or a second full Uniform Residential Appraisal Report with interior and exterior inspection is required.
Documentation Requirements for All Loans, Section 3.05.03	
Ineligibility Matrix, Section 3.04	Updating to remove a seasoned loan as an ineligible transaction. They are now considered on a case-by-case basis.

Reduced Coverage Medical and Dental Professionals Program, Section 3.06.02.01	<p>Updated as follows:</p> <ul style="list-style-type: none"> ▪ The name was changed from “90.01–100% LTV, LPMI Singles Reduced Coverage Program” to “Reduced Coverage Medical and Dental Professionals Program.” ▪ The program name in Arch MI’s systems was changed from “Arch LPMI Medical Down to 90%” to “Reduced Coverage Medical/Dental Program.” ▪ The minimum credit score was lowered from 660 to 620 for LTVs 90.01–97%, with loan amounts up to \$500,000.
Standard Medical and Dental Professionals Program, Section 3.06.02.02	<p>The program name in Arch MI’s systems was changed from “Arch Medical Program” to “Standard Medical/Dental Program.”</p>
Rate/Term Refinance, Section 3.08.01.01	<p>Updated to allow the payoff of an unseasoned, non-purchase money subordinate lien documented to be used entirely for home improvements. The applicable requirements for renovation rate/term refinance loan in sections 3.03.01 and 3.08.02 must be met.</p> <ul style="list-style-type: none"> ▪ All improvement costs must be documented. ▪ The appraisal must confirm that the improvements documented by the member have been completed.
Seasoned and Closed Loans, Section 3.08.05	<p>Updated as follows:</p> <ul style="list-style-type: none"> ▪ This section will be split into two sections, section 3.08.05, Closed Loans, and section 3.08.06, Seasoned Loans, to clarify the definitions of each. ▪ Clarified the definition of a closed loan to state that a closed loan is defined as a loan that did not previously have an Arch MI Commitment issued, no payments have been made and the first mortgage payment is not past due.
Seasoned Loans, Section 3.08.06	<p>Updated as follows:</p> <ul style="list-style-type: none"> ▪ Clarified the definition to state that a seasoned loan is defined as a loan that did not previously have an Arch MI Commitment issued, is closed and at least one mortgage payment has been received or the first mortgage payment is past due. ▪ Seasoned loans are no longer considered ineligible. They will be considered on a case-by-case basis. ▪ The contact information for Arch MI’s Servicing department has been added. ▪ For loans that have an expired commitment, have closed and a payment has been made, we will refer the customer to section 1.05.03, Expired Commitment.
Reserves, Section 3.11.02	<p>Updating as follows:</p> <ul style="list-style-type: none"> ▪ The required reserves have been lowered from 12 months to 6 months for a primary residence, 1-Unit, SFD, SFA and Condos, purchase or rate/term refinance, with loan amounts \$850,001–\$1,000,000. ▪ The required reserves have been lowered from 24 months to 12 months for a primary residence, 1-Unit, SFD and SFA, purchase or rate/term refinance, with loan amounts \$1,000,001–\$1,500,000.

If you have questions, please contact your [Arch MI Account Manager](#).