

CUSTOMER ANNOUNCEMENT

CUA 2021-08 | October 1, 2021

▶ Arch MI Credit Union Underwriting Manual Update Reflects EZ Decisioning Credit Score and Other Changes

The Arch MI Credit Union Underwriting Manual has been updated to reflect changes announced in Customer Announcement [CUA 2021-06](#), along with a revision to the terminology used for loans previously identified as seasoned loans.

Details of the changes are listed below:

EZ Decisioning Underwriting Requirements and Credit Scores Less Than 620

- Section 2.0, EZ DecisioningSM — Underwriting Requirements for Loans Underwritten with Desktop Underwriter[®] (DU[®]) or Loan Product Advisor[®], has been updated to require that loans receiving a DU Approve/Ineligible recommendation must have a minimum 620 credit score in addition to meeting the ineligible reasons already required.
- Section 2.01, EZ Decisioning LTV/Loan Amount/Credit Score/DTI Requirements, has been updated to allow a credit score under 620 with a DU Approve/Eligible for the following transactions: owner-occupied and second home 1-Unit, SFD/SFA, condos, co-ops, manufactured homes and owner-occupied 2- to 4-unit, purchase and rate/term refinance.
- Section 2.02, EZ Decisioning — Additional Underwriting Requirements. The reference to Seasoned Loans as ineligible has been removed, and instead, a reference was added that Closed Loans without a previous Arch MI Commitment are subject to the requirements outlined in section 3.08.05.

Closed Loans Without a Previous Arch MI Commitment

- Section 3.08.05, Closed Loans Without a Previous Arch MI Commitment. This section has been renamed from Closed Loans to Closed Loans Without a Previous Arch MI Commitment. This updated section addresses two types of Closed Loans: (1) Closed Loans that did not previously have an Arch MI Commitment and for which no payments have been made and the first payment is not 30 days past due and (2) Closed Loans that did not previously have an Arch MI Commitment and for which at least one mortgage payment has been received (formerly referenced as Seasoned Loans).
- Section 3.08.06, Seasoned Loans, has been removed. Closed Loans that did not previously have an Arch MI Commitment and for which at least one mortgage payment has been made are no longer referenced as Seasoned Loans but instead addressed in Section 3.08.05, Closed Loans Without a Previous Arch MI Commitment.

Non-Traditional Credit

- Section 3.12.02.01, Non-Traditional Credit. The Documentation Requirements section has been updated to include clarification that if the credit union obtains a non-traditional credit report, the consumer reporting agency should provide the credit union with all documentation received for each credit reference listed on the credit report. This information was previously included in the Acceptable Source of Non-Traditional Credit section.

For more information, please contact your [Arch MI Account Manager](#).