Guideline Summary for Housing Finance Agencies

Genworth Mortgage Insurance underwriters include:

Genworth Mortgage Insurance Corporation
Genworth Residential Mortgage Insurance Corporation of North Carolina
Genworth Residential Mortgage Assurance Corporation

August 1, 2013

A convenient summary of our most commonly used guidelines. For a comprehensive set of guidelines, refer to our complete *Underwriting Guidelines* (5274758).

Genworth®

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Genworth Mortgage Insurance
Guideline Summary for Housing Finance Agencies
August 1, 2013

Genworth Mortgage Insurance's *Guideline Summary for Housing Finance Agencies (HFAs)* is provided as a convenient reference of our most commonly accessed guidelines. It is only an excerpt of guidelines and therefore does not reflect all guidelines that may be applicable for a loan.

Use the summary page that is applicable to the loan:

- Desktop Underwriter® (DU®) Approve/Eligible or Loan Prospector® (LP) Accept, Eligible for Purchase, or
- Manually underwritten loans (loans with any other recommendation/risk classification from DU/LP or loans without a DU/LP recommendation/risk classification)

Note: *DU & LP loans and manually underwritten loans may be submitted using your delegated authority or submitted to us for a Genworth underwrite (full package).*

Refer to our complete *Underwriting Guidelines* at mortgageinsurance.genworth.com for comprehensive guidelines. In case of differences with this document, the *Underwriting Guidelines* will govern.

The column labeled "Sect #" on each summary page will point you to the corresponding section within our *Underwriting Guidelines* where you will find the details.

Key guidelines that are applicable to each of the enclosed summaries are located in the Reference Notes, found at the end of this guide.

Note: *Some guidelines have been coded into our delivery systems to check eligibility. Good examples are the system checks for LTV, loan amount and credit score limits. However, these edits cannot determine that a loan completely meets all Genworth guidelines. It is your responsibility to determine that the loan fully complies with our guidelines.*

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Desktop Underwriter and Loan Prospector Underwriting for HFAs

Primary, Purchase & Rate/Term			Delegated UW				Genworth UW			
Prop Type	LTV	Loan Amount	Score	DTI	Borr Contr	Reserve	Score	DTI	Borr Contr	Reserve
1 unit	97%*	$417,000	680	45%	1%	Per DU & LP	680	45%	1%	Per DU & LP
							680	50%	3%	
1 unit	95%	$417,000 AK & HI: $625,500	660	45%	1%	Per DU & LP	660	45%	1%	Per DU & LP
							620	50%	3%	
2 units	95%	$533,850 AK & HI: $800,775	660	45%	3%	Per DU & LP	620	50%	3%	Per DU & LP

* Manufactured housing is ineligible for 97% LTV

Topic	Sect #	Guideline
DU & LP Underwriting	1	Guidelines in this chart are applicable to the following: • DU Approve/Eligible • LP Accept, Eligible for Purchase For all other recommendations/risk classifications, follow the HFA guidelines for manually underwritten loans. Refer to **Reference Notes** for AUS Underwriting Obligations
Documentation	3	Follow DU & LP documentation for credit, income and assets and the following: • Verbal VOE: Obtain within 30 calendar days prior to closing • Appraisal: Full URAR or 2055 Exterior-Only Inspection Residential Appraisal Report, if permitted
Subordinate Financing	7	<table><tr><th>UW Type</th><th>Units</th><th>LTV</th><th>Score</th><th>DTI</th><th>CLTV</th></tr><tr><td rowspan="3">**Delegated UW**</td><td rowspan="2">1</td><td>97%</td><td>680</td><td>45%</td><td>105%</td></tr><tr><td>95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td>2</td><td>95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td rowspan="4">**Genworth UW**</td><td rowspan="4">1</td><td rowspan="2">97%</td><td>680</td><td>45%</td><td>105%</td></tr><tr><td>680</td><td>50%</td><td>97%</td></tr><tr><td rowspan="2">95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td>620</td><td>50%</td><td>97%</td></tr><tr><td rowspan="2">2</td><td rowspan="2">95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td>620</td><td>50%</td><td>95%</td></tr></table> • Subordinate financing must meet Fannie Mae's Community Second or Freddie Mac's Affordable Second guidelines • Refer to Section 7 for a complete LTV/CLTV/GLTV/TLTV chart
Borrower Contribution	7	As determined by DU & LP, but in no case less than minimum shown above. The minimum amount contributed by the borrower for downpayment, closing costs, financing costs, and prepaids must be verified and documented as the borrower's own funds.
Reserves	1	As determined by DU & LP
Property Type	6	• Single family, detached and attached: Includes detached (site) condominiums • Condominiums: Refers to attached condominiums • Cooperatives: Refer to *Underwriting Guidelines* for acceptable coop locations • Manufactured housing: Max 95% LTV • Florida: All attached housing requires a Genworth underwrite
DU & LP Processing	7	If a loan is processed by DU or LP without a MyCommunity, Home Possible, HFA or other Affordable designation, the following must be applied: • Income limits established by the HFA • Borrowers may not have ownership of any other residential property at time of closing • Homebuyer education is required per GSE guidelines or the HFA's homebuyer

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Desktop Underwriter and Loan Prospector Underwriting for HFAs		
		education requirements
Exclusions from DU & LP	7	Loans with the following features are excluded from this summary. Refer to Genworth's underwriting guidelines: HARP, acreage > 15 acres, renovation mortgages, property flipping, construction to permanent, SAD, PEW & Special Florida project reviews and Genworth's ineligible loan features
Notes	• Refer to **Reference Notes** for key guidelines • Loan must meet all other published Genworth guidelines. Refer to our complete *Underwriting Guidelines* at mortgageinsurance.genworth.com	

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Manual Underwriting Summary for HFAs

Primary, Purchase & Rate/Term			Delegated UW				Genworth UW			
Prop Type	LTV	Loan Amount	Score	DTI	Borr Contr	Reserve	Score	DTI	Borr Contr	Reserve
1 unit	97%*	$417,000	680	45%	1%	2 mths	680	45%	1%	0 mths
							680	50%	3%	2 mths
1 unit	95%	$417,000 AK & HI: $625,500	660	45%	1%	2 mths	660	45%	1%	0 mths
							620	50%	3%	2 mths
2 units	95%	$533,850 AK & HI: $800,775	660	45%	3%	2 mths	620	50%	3%	2 mths

* Manufactured housing is ineligible for 97% LTV

Topic	Sect #	Guideline
Manual Underwriting	7	Applies to loans without a DU Approve/Eligible recommendation or LP Accept, Eligible for Purchase risk classification or loans without a DU/LP result. May be underwritten as delegated or submitted for Genworth underwriting
Documentation	3	Full documentation for credit, income, employment, and assets
Appraisal	3	Full URAR, with interior and exterior review, and all applicable addenda
Subordinate Financing	7	<table><tr><th>UW Type</th><th>Units</th><th>LTV</th><th>Score</th><th>DTI</th><th>CLTV</th></tr><tr><td rowspan="3">**Delegated UW**</td><td rowspan="2">1</td><td>97%</td><td>680</td><td>45%</td><td>105%</td></tr><tr><td>95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td>2</td><td>95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td rowspan="5">**Genworth UW**</td><td rowspan="4">1</td><td rowspan="2">97%</td><td>680</td><td>45%</td><td>105%</td></tr><tr><td>680</td><td>50%</td><td>97%</td></tr><tr><td rowspan="2">95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td>620</td><td>50%</td><td>97%</td></tr><tr><td rowspan="2">2</td><td rowspan="2">95%</td><td>660</td><td>45%</td><td>105%</td></tr><tr><td>620</td><td>50%</td><td>95%</td></tr></table> • Subordinate financing must meet Fannie Mae's Community Second or Freddie Mac's Affordable Second guidelines • Refer to Section 7 for a complete LTV/CLTV/GLTV/TLTV chart
Loan Type	4	• Fixed rate/fixed payment • Fully amortizing ARMs, with initial adjustments > = 5 yrs (Manufactured housing > = 7 yrs) • Temporary buydowns (2-1 only) • **Ineligible:** Balloons
Valid Credit Score	5	• Credit score must be supported by 3 tradelines that have been evaluated at least 12 months • Credit scores not supported by the minimum number of tradelines or do not meet history requirements must be underwritten by Genworth
Nontraditional Credit	5	Maximum 95% LTV. Max 41% DTI. No primary 2 unit. Must be underwritten by Genworth
Income Limitations	7	Apply income limits established by the HFA
Borrower Contribution	7	Per the minimum shown above. The minimum amount contributed by the borrower for downpayment, closing costs, financing costs, and prepaids must be verified and documented as the borrower's own funds.
Reserves	5	Refer to the chart above
Property Type	6	• Single family, detached and attached: Includes detached (site) condominiums • Condominiums: Refers to attached condominiums • Cooperatives: Refer to *Underwriting Guidelines* for acceptable coop locations • Manufactured housing: Max 95% LTV • Florida: All attached housing requires a Genworth underwrite

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Manual Underwriting Summary for HFAs		
Ownership of Property	7	Borrowers may not have ownership of any other residential property at time of closing
Homebuyer Education	7	Homebuyer education is required per GSE guidelines or the HFA's homebuyer education requirements
Notes	• Refer to **Reference Notes** for key guidelines • Loan must meet all other published Genworth guidelines. Refer to our complete *Underwriting Guidelines* at mortgageinsurance.genworth.com	

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Reference Notes		
Key guidelines that are applicable to each of the enclosed summaries are located in these Reference Notes.		
Topic	**Sect #**	**Guidelines**
GSE AUS Underwriting Obligations	1	Our acceptance of an GSE AUS response is conditioned on the lender's adherence to the following: • The recommendation/risk classification was based on accurate and verified data and there was no failure to submit any data to the GSE AUS that may have affected the AUS result; • The loan was underwritten and complies with the guidelines and approval conditions detailed in the GSE AUS findings/feedback report; • The loan was documented according to the standards specified in the GSE AUS findings/feedback report, including a review of the credit report to confirm that the credit history evaluated by the GSE AUS was accurate and complete; • Erroneous credit report data or potentially derogatory or contradictory information in the loan file has been investigated and acted upon in accordance with the GSE's requirements; and • All terms have been met and the loan is eligible for investor delivery.
HFA Guideline Summary Exclusions		Loans with these characteristics are not described in this summary. Refer to Genworth's underwriting guidelines for: • HARP (7.1) • Acreage > 15 acres (6.12) • Renovation mortgages (6.17) • Property flipping (6.18) • SAD, PEW & Special Florida project reviews (6.6.5, 6.7) • Construction to Permanent (7.5)
Loan Features Requiring a Genworth Underwrite		Loans with the following features must be submitted to Genworth for underwriting: • Credit scores not supported by the minimum number of tradelines or do not meet history requirements (5.5) *Note: DU Approve/Eligible and LP Accept, Eligible for Purchase are excluded* • Attached housing in Florida • Nontraditional Credit (5.7) *Note: DU Approve/Eligible and LP Accept, Eligible for Purchase are excluded* • Property flips (6.18)
Ineligible Loan Features for All Genworth	2	• LTVs > 97% • Exterior only appraisals (unless DU & LP), PIA, PIW, AVM and desk reviews • Investment Property • Alt A documentation (stated and no income/no assets), no doc, reduced doc, lite doc, limited doc • Loan types: < 3 yr ARMs, < 5 yr balloons, interest only, GPMs, potential & scheduled neg am, Pay Option ARMs • A Minus • Property types: 3-4 unit, condotels, commercially used properties, unimproved land, time share units, mobile homes, earth, dome and geothermal properties, working farms, orchards and ranches, kiddie condos, houseboats, unique/atypical properties
Credit Scores	5	• DU Approve/Eligible & LP Accept, Eligible for Purchase: follow GSE guidelines for credit score selection • Credit data from a minimum of 2 repositories; 3 preferred • Representative Credit Score: lowest score (middle of 3, lower of 2) of all borrowers
Attached Condominium Projects	6	• For all condominium projects, follow the GSE's project guidelines and document the project acceptance according to GSE guidelines • Fannie Mae CPM, PERS and Limited Review and Freddie Mac Streamlined Review: Warrantable per GSE guidelines • All other projects (excluding SAD, PEW, Special Florida) must be warrantable per GSE guidelines: ➢ New & Established projects: Max 30% investor concentration

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Reference Notes		
		➢ GSE 2-4 unit projects: 100% presale, no investment property in 2-3 unit projects • Florida: All attached housing requires a Genworth underwrite • SAD, PEW and Special Florida Projects: refer to Sections 6.6.5 and Section 6.7
Cooperative Projects	6	Warrantable per GSE guidelines. Eligible only in Genworth's designated coop locations
Notes	Loan must meet all other published Genworth guidelines. Refer to our complete *Underwriting Guidelines* at mortgageinsurance.genworth.com	

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