



Genworth Mortgage Insurance Corporation

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December 3, 2007

JANUARY 2008 MI UNDERWRITING GUIDELINE CHANGES

Dear Valued Customer:

As a result of continued changes in the mortgage market and our ongoing evaluation of loan performance, Genworth Mortgage Insurance will be making changes to mortgage insurance underwriting guidelines.

Effective For All Borrower Paid and Lender Paid Mortgage Insurance Applications Received by Genworth on or After January 7, 2008:

1. Geographic Guideline Changes.

- a. We are expanding our policy to limit the maximum allowable LTV/CLTV to 95% in specific MSAs that Genworth Mortgage Insurance has identified as Declining or Distressed Markets.
- b. A copy of the policy and a full list of MSAs are attached to this letter and are posted at **mortgageinsurance.genworth.com**.
- c. This policy is in addition to our current policy, announced on November 12, 2007, limiting the maximum allowable LTV/CLTV to 95% where either the appraiser notes Property Values as "declining" or a declining market message is returned by Desktop Underwriter® or Loan Prospector®.

2. Guideline Change for 95.01-100% LTV and Credit Score <620. Loans with an LTV above 95% and a credit score below 620 are ineligible for Genworth mortgage insurance, regardless of AUS decision.

3. Guideline Change for Alt A.

- a. No Income and No Income No Asset loans (e.g. NIVA, NINA) are ineligible for Genworth mortgage insurance.
- b. ARMs with initial adjustments <5 years are ineligible, unless DU Approve or LP Accept.
- c. New guidelines for Stated Income or Asset loans (e.g. SIVA, SISA) are as follows:

Stated Income or Asset Loan Guidelines						
		Units	LTV/CLTV	Min Credit Score	Max Loan Amt	Max Cash Out
Primary Residence	Purchase & Rate/Term	1-4	≤ 90%	660	\$650,000	N/A
	Cash Out	1-4	≤ 90%	660	\$650,000	Conforming Loan Amts: No Limit Nonconforming Loan Amts: \$325,000
Second Home	Purchase & Rate/Term	1	≤ 90%	660	\$650,000	N/A
	Cash Out	1	≤ 90%	660	\$650,000	Conforming Loan Amts: No Limit Nonconforming Loan Amts: \$325,000
Investment Properties	Purchase & Rate/Term	1-4	≤ 90%	700	\$650,000	N/A
	Cash Out	Not Eligible				



4. Guideline Change for A Minus.

- a. The maximum LTV is 95% for loans receiving DU Expanded Approval I, II, or III; Refer with Caution; Refer with Caution IV or LP Caution. This LTV maximum also applies to proprietary non-agency AUS, as well as manually underwritten A Minus loans.
- b. Investment properties are ineligible for A Minus, regardless of LTV or AUS decision.

5. Guideline Changes for Investment Properties.

		Units	LTV/ CLTV	Min Credit Score	Max Loan Amt	Max Cash Out
Investment Property	Purchase & Rate/Term	1-4	≤ 90%	660	\$1,000,000	N/A
	Cash Out	1-4	≤ 90%	720	\$1,000,000	Conforming Loan Amts: No Limit Nonconforming Loan Amts: \$325,000

6. Guideline Change for Interest Only Loans. Loans with an LTV above 97% are ineligible for Genworth mortgage insurance, regardless of AUS decision.

These changes supersede previously issued Genworth approved program exceptions. We will continue to review loan performance and guidelines within the current and projected market conditions.

Please distribute this information to the appropriate contacts within your organization. Visit our website at mortgageinsurance.genworth.com to use our Rate Finder tool or to access detailed rates and guidelines. If you have any questions, contact your Genworth representative or the ActionCenter® at 800 444.5664.

Sincerely,

Rohit Gupta
Vice President
Products, Market Intelligence and Strategy

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