



# Radian's GSE Refinance Modification Program FAQs

October 1, 2020

For loans owned or securitized by Fannie Mae or Freddie Mac

## Eligibility/Submission

### Q1: What loans are eligible for Radian's GSE Refinance Modification Program?

A: Radian's GSE Refinance Modification Program is available only on Radian insured loans which are underwritten, approved and closed in compliance with all respective Fannie Mae High Loan-To-Value Refinance Option or Freddie Mac Enhanced Relief Refinance<sup>SM</sup> program requirements and underwriting guidelines. Transactions which are not eligible under Radian's GSE Refinance Modification Program will need to follow Radian's standard published origination, underwriting and submission guidelines.

### Q2: How can I obtain the information necessary to provide the pre-closing data elements that are required on the Notification of Mortgage Insurance Modification?

A: The DU or LPA findings on a Fannie Mae High Loan-To-Value Refinance Option or Freddie Mac Enhanced Relief Refinance transaction will reflect the mortgage insurance (MI) provider, coverage and certificate number.

Additional tools:

- Fannie Mae – <https://www.knowyouroptions.com/loanlookup>
- Freddie Mac – <https://ww3.freddiemac.com/loanlookup/>

### Q3: Who can I contact if I require assistance in identifying Radian as the MI provider or require MI certificate details?

A: Same servicers will be able to access MI certificate details in MI Online, but if the MI certificate details are unknown or you are unsure if Radian is the current MI provider, contact Radian [Customer Care](#) for assistance.

### Q4: Does the submitting lender need to be the existing Insured Lender/Servicer?

A: No, Radian's GSE Refinance Modification Program is available to both same and new servicers with a Radian Master Policy in good standing. If you do not have a Radian Master Policy, please complete Radian's [Master Policy Application](#).

### Q5: What documentation do I need to submit with a GSE Refinance Modification request?

A: The only documentation required is the [Notification of Mortgage Insurance Modification](#). See the Servicer Resources section on our website to access [Radian's Origination & Servicing Guide](#) for submission requirements.

### Q6: Is Radian's delegated underwriting approval required to certify the new refinance loan was originated, underwritten, approved and closed in compliance with applicable program requirements and underwriting guidelines?

A: No, the existing MI certificate transfers to the new refinance loan and a new MI certificate will not be issued. Radian's transference of the existing MI coverage to the new refinance loan relies strictly on the Insured Lender/Servicer's certification of compliance (confirmation that the loan is Fannie Mae High Loan-To-Value Refinance Option or Freddie Mac Enhanced Relief Refinance eligible). The Insured Lender/Servicer is not required to have delegated underwriting authority in order to provide this certification.

### Q7: The AUS Findings Report identifies existing MI coverage is in force with Radian; however, Radian indicates the coverage has been cancelled. Is MI coverage required for this loan?

A: If the MI coverage was cancelled due to the Homeowners Protection Act (HPA), it is Radian's understanding that Fannie Mae and Freddie Mac would not require MI coverage; however lenders are encouraged to confirm directly with the applicable GSE. If the MI coverage was cancelled for a reason such as non-payment of premium or rescission, then the loan may be ineligible for Radian's GSE Refinance Modification Program. Contact Radian Customer Care to determine if the loan is eligible for reinstatement of the MI coverage.

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## Eligibility/Submission

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**Q8: The AUS Findings Report indicates a discrepancy in required MI coverage compared to Radian's existing MI coverage on the loan. What MI coverage is required on the new refinance transaction?**

**A:** In most cases, the MI coverage in effect on the existing loan is the MI coverage required on the new loan, however, there may be instances when the original loan closed with inadequate MI coverage. It is appropriate to confirm the MI coverage required with the applicable GSE.

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## Process/Procedures

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**Q1: Will Radian issue a new Commitment & Certificate of Insurance?**

**A:** No, Radian will issue a Certificate of Insurance Endorsement for Loan Modification on all Radian insured loans refinanced under Radian's GSE Refinance Modification Program. The Certificate of Insurance Endorsement for Loan Modification will only be sent to the original individual who submitted the Notification of Mortgage Insurance Modification request.

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**Q2: Will Radian charge a fee or surcharge to facilitate the transfer of MI coverage to the new refinance loan?**

**A:** No, Radian will not charge an incremental premium for the transfer of MI coverage to the new refinance loan.

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**Q3: How will Radian handle the MI coverage effective date?**

**A:** The MI coverage effective date will not change and MI coverage will remain in place on the new loan as per the terms of the original MI certificate, subject to applicable payment of the MI premium.

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**Q4: What will the MI premium payment anniversary date be after the refinance transaction?**

**A:** Upon modifying the existing certificate, Radian will use the closing date of the new refinance transaction to calculate MI premium payments. Lenders should use the new refinance closing date as the basis for calculating when the 11th year step-down rate will apply, if applicable.

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**Q5: What MI premium rate will be charged on the new refinanced loan?**

**A:** MI certificates with a renewal premium option will be charged the MI premium rate factor currently in effect on the original loan. The payment amount may change as the original MI premium rate factor is applied to the new refinance loan amount. MI certificates with single premium plans do not require any additional payment.

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**Q6: Does a change in the LTV of the new refinance loan affect the MI coverage on the modified MI certificate?**

**A:** The MI coverage percentage will remain the same. The GSEs will accept the newly refinanced loan without increasing the MI coverage so long as adequate MI coverage was obtained on the original loan.

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**Q7: Will a BPMI/LPMI premium source change impact the MI premium rate or payment plan frequency?**

**A:** No, the MI premium rate for monthly or annual frequency plans in effect on the original MI certificate will remain the same, but the payment amount may change as the original MI premium rate will be applied to the new refinance loan amount.

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**Q8: Will Radian allow a change in renewal option?**

**A:** Yes, Radian will allow a change in renewal option (constant or declining) while the rate structure in effect on the original MI certificate remains the same. When a change from declining to constant is made, the 11th year anniversary step-down rate for the applicable program is added. For MI certificates with a constant renewal, the refinance closing effective date should be used to calculate the effective date for the 11th year anniversary step down rate.

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**Q9: How will the different payment frequency plans be handled?**

**A:** Monthly and annual frequency plans will be treated as a normal refinance and billed for the next monthly premium due. As the existing MI is being transferred to the new loan, the new refinance loan is not eligible for Radian's deferred premium payment option. Single premium types will require no additional premium payment.

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**Q10: Does Radian permit a lapse of MI premium payment during the refinance process?**

**A:** No, MI premium payments must continue as scheduled.

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## Process/Procedures

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**Q11: How will MI premium refunds be handled on the new loan?**

**A:** Refunds for High Loan-To-Value Refinance Option or Enhanced Relief Refinance program loans are handled the same way as all other loans. Once Radian has received notification from the current servicer to cancel the MI coverage, any refund due will be returned to the servicer.

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**Q12: What if my loans are serviced by a sub-servicer, can I still participate in this program?**

**A:** Yes, however the submitter of the [Notification of Mortgage Insurance Modification](#) request must be the insured party on the new loan or the authorized sub-servicer.

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## Policy/Underwriting

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**Q1: Does Radian follow Fannie Mae and Freddie Mac LTV eligibility?**

**A:** Yes, Radian will accept the LTV eligibility terms available under the applicable GSE program guidelines.

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**Q2: Will Radian allow a change in occupancy?**

**A:** Yes, Radian will accept the change in occupancy terms available under the applicable GSE program guidelines.

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**Q3: Will Radian allow the addition of a borrower to the loan?**

**A:** No, as the GSE program guidelines do not permit the addition of a borrower to the loan.

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**Q4: Will Radian permit the removal of a borrower from the loan?**

**A:** Yes, Radian will accept the terms available under the applicable GSE's program guidelines, which allow a borrower to be removed under certain circumstances. Please contact [Customer Care](#) after closing the new refinance loan to remove a co-borrower from our records.

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**Q5: Do the representations and warrants on the original MI certificate remain in place?**

**A:** No, Radian will rely on the insured lender/servicer's representation of the completeness and accuracy of the information submitted in the updated loan application, underwriting file and closing documents.

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**Q6: Will Radian underwrite to Fannie Mae's or Freddie Mac's program guidelines?**

**A:** No, Radian executes the refinance modification post-closing upon receipt of the insured lender/servicer's certification that the loan has been underwritten, approved and closed by the insured in compliance with all applicable GSE program requirements and underwriting guidelines. Radian will not perform an MI underwrite or accept the new refinance loan file for contract underwriting review.

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**Q7: Will Radian perform quality control audits to verify refinance modification underwriting accuracy?**

**A:** No, Radian accepts the lender's certification that the new loan was underwritten and closed in compliance with all program requirements and underwriting guidelines.

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**Q8: Does Radian permit the cancellation of MI on the new refinance modification loan?**

**A:** Yes, Radian will cancel MI as requested by the servicer.

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If you have additional questions, or need to check the status of or make changes to a request, please contact Radian Customer Care: 877.RADIAN1 (723.4261) or [customer care@radian.com](mailto:customer care@radian.com).