

A Guide to Radian's Mortgage Insurance Application

How to Complete Radian's MI Application

Submission Requirements

- Delegated Lenders: Submission to Radian requires a minimum of the completed Mortgage Insurance (MI) Application and 1008 OR Radian 1008 Information Supplement. The investor, program name, automated underwriting system, AUS decision (if applicable) and fico score must be clearly noted on the MI Application.
- Non Delegated Lenders: Submission to Radian requires a minimum of the completed MI Application and 1008 OR Radian 1008 Information Supplement, 1003, Credit Report, and Appraisal.

Note: Non delegated lenders may submit the 1008 & MI Application if the loan has received a Desktop Underwriter Approve/Eligible or Loan Prospector Accept/Eligible recommendation. All other AUS recommendations or no AUS recommendation (manual underwriting) will require the submission of the MI Application, 1008, 1003, credit report, and appraisal

Step 1: Complete the information on the Mortgage Insurance (MI) Application.

Step 2: Attach the Fannie Mae 1008 or Freddie Mac 1077 transmittal summary or the 1008 Information Supplement (page 2) of Radian's Mortgage Insurance Application.

Step 3: Fax or secure e-mail the completed Mortgage Insurance Application along with supporting documentation as required to Radian Guaranty.

Note: E-mail via Radian's Secure Sender only. Please contact your relationship manager or Radian service center for details.

The following are descriptions of each field on the Radian MI Application. For additional assistance completing the application, please contact Radian at 800-926-1621.

Descriptions

1. Submitting Lender Name, City and State – Provided by Radian. This information is preprinted and lender specific.
2. Master Policy Number – Provided by Radian. This information is preprinted and lender specific.
3. Primary Borrower Name – Required. Identify the primary borrower full name.
4. Investor/Insured Name – Required. Identify the insured lender name.
5. Investor/Insured Program – Required. Identify the insured lender program.
6. Radian Product – Required. Indicate Radian product/premium pricing selection.
7. Lender Loan Number – Optional. Provide lender loan number, either the current submitting lender or assigned investor loan number.
8. Mortgage Insurance Type – Required. Identify the type of mortgage insurance, Borrower Paid or Lender Paid.
 - a. BPMI – Borrower Paid Mortgage Insurance. The borrower pays for the mortgage insurance coverage by means of one of the premium payment plans.
 - i. BPMI Payment Plans – Required if BPMI. Choose one of the applicable payment plans
 1. Deferred Monthly – Select Deferred Monthly if you wish to defer the first month's premium, thus closing the loan with no funds to be dispersed at closing. This will defer payment of the first

- month's premium until the borrower's first payment, creating mortgage insurance to be collected in arrears.
2. Monthly – Select Monthly if 1/12 of the annual premium due is being collected at closing.
 3. Single Premium - Select Single Premium if the single premium is collected and paid at closing. The borrower can select to pre-pay the premium for the life of the loan at the time of closing. This pre-payment may also be included in the financed amount.
 4. Financed Single Premium – Select Financed Single Premium if the mortgage insurance premium is being included in the loan's principal amount to be financed and paid at closing.
 - a. Financed Premium Amount – Required if Financed Single Premium. Indicate the amount of the Single Premium to be financed into the loan amount.
 - b. Base Loan Amount – Required if Financed Single Premium. Indicate the original loan amount, prior to the addition of any amount considered for financed mortgage insurance premiums.
 5. Level Annual – Select Level Annual to receive a reduction in the first year premium factor from the stated monthly premium factor. This will result in the same factor being charged for your first year premium as well as your annual renewals.
 6. Standard Annual – Select Standard Annual for the first-year premium to be calculated, as stated in Radian rate material. This payment plan will result in a slightly higher first-year premium, but will have lower renewal factor than the Level Annual Payment Plan.
 7. SplitEdgeSM – SplitEdgeSM is an innovative product that splits the cost of the MI premium with homebuyers. The cost is shared through paying a refundable, upfront MI payment. By sharing this cost homebuyers can qualify for more house and lower their monthly payments.
 - a. Upfront Fee – Required if SplitEdgeSM is selected. Upfront fee options are .75, 1.00 and 1.25.
 8. Free After FiveSM – Borrowers receive automatic termination of their MI premium after five years, provided they have maintained a good payment history. To qualify, borrowers must have a minimum Fico of 660. Through slightly increased monthly payments, borrowers can purchase homes with less than 20% down. The monthly MI premiums automatically cancel after five years, however coverage continues until the borrower reaches 78% LTV.
- b.** LPMI – Lender Paid Mortgage Insurance. The lender pays for the mortgage insurance coverage with its own funds.
- i. LPMI Payment Plans – Required if LPMI. Choose one of the applicable payment plans
 1. Monthly – Select Monthly if 1/12 of the annual premium due is being collected at closing.

2. Single Premium - Select Single Premium if the single premium is collected and paid at closing. The borrower can select to pre-pay the premium for the life of the loan at the time of closing. This pre-payment may also be included in the financed amount.
 3. Level Annual – Select Level Annual to receive a reduction in the first year premium factor from the stated monthly premium factor. This will result in the same factor being charged for your first year premium as well as your annual renewals.
 4. Standard Annual – Select Standard Annual for the first-year premium to be calculated, as stated in Radian rate material. This payment plan will result in a slightly higher first-year premium, but will have lower renewal factor than the Level Annual Payment Plan.
 5. Refundable/Non-Refundable – Select option if the mortgage insurance is paid by the lender, rather than the borrower.
9. Coverage %– Required. This is the percent of the loan balance that is protected by private mortgage insurance. This should be a whole number based on the lender or investor program requirements.
 10. Radian’s Special Risk Number – Provided by Radian. This information is preprinted and lender specific.
 11. Renewal Type – Required. Select Constant or Declining.
 - a. Constant renewals are based on the original insured loan amount at the anniversary date of the certification of the loan.
 - b. Declining renewals are based on the outstanding principal balance at the anniversary date of the initial certification of the loan.
 12. Relocation – Required. Indicate Yes or No.
 13. AU System – Require. Indicate the automated underwriting system used to generate an underwriting decision for the loan file. If manually underwritten indicate not applicable.
 14. AUS Decision – Required. Indicate the automated underwriting decision generated by the AU System. AUS Decision responses are specific to the AU System chosen.
 15. Interest Only – Required if applicable. The amortization method on the mortgage loan. An "interest only" loan will not fully amortize, only interest payments will be applied to the loan. No reduction in principal will take place.
 16. Interest Only Term – Required if Interest Only. Indicate the length of time (expressed in months) that the loan program will amortize on an “interest only” basis.
 17. Prepayment Penalty – Required. A penalty for paying the loan in full before a specified date contained with the Note.
 18. Prepayment Penalty Term – Required if Prepayment Penalty. Indicate the term in which the prepayment penalty is enforced by the Lender, expressed in months.
 19. Streamlined Refinance – Required. Streamlined Refinance is a rate reduction refinance which requires less documentation than a full package mortgage application. Typically, a mortgage application plus a perfect mortgage payment history for 12 months is the only documentation required, although it can be negotiated per mortgage lender.
NOTE: ONLY RATE TERM REFINANCE IS ELIGIBLE FOR STREAMLINED REFINANCE.
 20. Income Documentation – Required if not Streamlined Refinance. Documentation category that most closely describes how the borrowers' qualified information was verified or not. Options include: Per AUS Findings, Verified with W2, 1040, or paystub,

- Verified with bank statements, Stated, and Not verified or not stated. Please check applicable box.
21. Employment Documentation – Required if not Streamlined Refinance. Documentation category that most closely describes how the borrowers' employment was verified, or not. Options include: Per AUS Finding, Verified, Stated, and Not verified or not stated. Please check applicable box.
 22. Asset Documentation – Required if not Streamlined Refinance. Documentation category that most closely describes how the borrowers' qualified assets were verified, or not. Options include: Per AUS Findings, Verified, >= 1 month, Stated, and Not verified or not stated. Please check applicable box.
 23. ARM Indicator – Required. A mortgage that changes interest rate periodically based upon the changes in a specific index. Indicate Yes or No.
 24. ARM Index Name – Required if ARM. If applicable, provide the type of index used, per the product description (LIBOR, COFI, T-Bill, etc.) to determine future interest rate changes.
 25. Margin % - Required if ARM. Provide the number of percentage points, expressed in basis points, a lender adds to the index value to calculate the ARM interest rate at each adjustment period. This premium is usually two or three percentage points.
 26. Initial Rate Fixed Period- Required if ARM. The initial period of time during which the interest rate stays constant, expressed in months. It could be longer or shorter than subsequent periods.
 27. Future Rate Period– Required if ARM. Provide the period of time, after the initial period, for future rate adjustments.
 28. Initial Rate Adjustment Cap % - Required if ARM. Provide the maximum percentage that the interest rate can change per single adjustment period.
 29. Life Rate Adjustment Cap – Required if ARM. Provide the maximum percentage that the interest rate can change per single adjustment period.
 30. Negative Amortization – Required. Negative Amortization occurs with the first payment or has the potential to occur during the loan period.
 - a. Potential – Negative Amortization that results from the borrower option payment caps.
 - b. Scheduled – Negative Amortization that is scheduled to occur during the life of the loan.
 31. Negative Amortization Limit % - Required if Negative Amortization.
 32. Primary Borrower Self Employed – Required. Select Yes or No.
 33. Primary Borrower FICO – Required. The FICO score of the primary income earner (Primary Borrower). The primary income earner must be the person who earns more than 50% of the total income used to qualify for this loan. You can obtain the FICO score from the credit report. For an Alt A loan, the FICO score of the primary income earner should not be used, an Alt A loan should use the lowest representative score of ALL borrowers.

Note: If the borrower's credit only contains non-traditional credit history, then the borrower must provide four non-traditional verifications, each of which must indicate a 12 month history. One of the four verifications must be a primary housing (mortgage or rent) payment history. The other three verifications may be utilities, insurance, receipts for cash rental payments or any other documented non-traditional credit source.
 34. Primary Borrower Gender – Required. Indicate the gender code of the primary borrower.

35. Co-Borrower FICO – Required.
36. Primary Borrower Ethnicity – Required. Indicate the ethnicity code of the primary borrower.
37. Primary Borrower Race – Required. Indicate the race code of the primary borrower.
38. Requestor/Contact Name – Required. Indicate the name of the person authorized to order Mortgage Insurance.
39. Requestor/Contact Phone – Required. Indicate the phone number of the Requestor/Contact (xxx-xxx-xxxx).
40. Requestor/Contact Fax – Required. Indicate the fax number of the Requestor/Contact (xxx-xxx-xxxx).
41. Requestor/Contact E-mail Address – Required. Indicate the e-mail address of the Requestor/Contact.
42. Date – Optional. Indicate the date the mortgage insurance is ordered (mm/dd/yyyy).