

Lender Letter LL-2014-01

February 04, 2014

To: All Fannie Mae Single-Family Sellers and Servicers Updates to Fannie Mae-Approved Mortgage Insurers

Fannie Mae has taken the following actions with regard to Fannie Mae-approved mortgage insurance providers:

- Fannie Mae has approved the acquisition of CMG Mortgage Insurance Company (CMG) and its affiliates by Arch U.S. MI Holdings, Inc. CMG will be a wholly-owned direct subsidiary of Arch U.S. MI Holdings, Inc.

Arch US MI Holdings, Inc. has stated that it will rename CMG to Arch Mortgage Insurance Company. Nevertheless, at this time, there is no change to the MI Code or the ULDD Enumerated Value used by Fannie Mae and seller/servicers to identify loans insured by CMG. The ULDD Enumerated Value of “CMG” and the MI Code of “38” will remain the same. If either of these values is changed, Fannie Mae will provide advance notice to sellers and servicers.

- Fannie Mae has suspended the approval of the following affiliates of existing approved mortgage insurers:
 - MGIC Indemnity Corporation (MIC),
 - Radian Mortgage Assurance Inc. (RMAI), and
 - Genworth Residential Mortgage Assurance Corporation (GRMAC).

These entities were approved by Fannie Mae to provide mortgage insurance in a limited number of states only through December 31, 2013, but either never issued any insurance policies or have ceased issuing new insurance policies in connection with loans to be delivered to Fannie Mae. Fannie Mae approvals of these entities automatically expired by their terms and they are being removed from the list of Fannie Mae-approved mortgage insurers. These suspensions are not due to any concerns related to their claims-paying ability. These entities are no longer necessary to allow each mortgage insurer to write new insurance nationwide.

The flagship entities (specifically, Mortgage Guaranty Insurance Corporation, Radian Guaranty Inc., and Genworth Mortgage Insurance Corporation) continue to retain Fannie Mae approval.

The [Approved Mortgage Insurers and Related Identifiers](#) list (formerly titled *Acceptable Conventional Mortgage Insurers and Related Delivery Codes*) has been updated and is available on Fannie Mae's website.

Effective Dates

There will be no break in Fannie Mae's acceptance of loans insured by CMG, so there is no need for an effective date for Fannie Mae's acceptance of loans insured by CMG after Arch U.S. MI Holdings Inc. completes the acquisition.

Eligible mortgage loans insured by MIC, RMAI, or GRMAC must have

- mortgage note dates on or before December 31, 2013; and,

- pool issue dates on or before July 1, 2014 for MBS, or delivery dates on or before July 31, 2014 for whole loans. This includes mortgage loans having either borrower-paid or lender-paid mortgage insurance from these entities.

Servicers should continue to renew coverage, pursuant to requirements of the *Selling and Servicing Guides*, with these entities when existing policies expire unless and until notified otherwise by Fannie Mae. Such notification will allow sufficient time for servicer implementation.

Lenders who have questions about this Lender Letter should contact their Account Team.

Servicers should contact their Servicing Consultant, Portfolio Manager, or Fannie Mae's National Servicing Organization's Servicer Support Center at 1-888-FANNIE5 (1-888-326-6435) with any questions regarding this Lender Letter.

Carlos T. Perez
Vice President and
Chief Credit Officer for Single-Family

Gwen Muse-Evans
Senior Vice President
Chief Risk Officer for Credit Portfolio Management