



## Lender Letter LL-2016-04

**July 26, 2016**

### **To: All Fannie Mae Single-Family Sellers and Servicers Mortgage Insurance Updates**

This Lender Letter updates the following mortgage insurance requirements and lists:

- MassHousing Mortgage Insurance Fund Requirements
- List of Approved Mortgage Insurance Forms
- List of Approved Mortgage Insurers and Related Identifiers

Each of the updates is described below.

#### **MassHousing Mortgage Insurance Fund Requirements**

In SEL-2014-08: *Fannie Mae Announces Approved Mortgage Insurance Forms*, we announced changes to our requirements regarding mortgage insurance master primary policies, related endorsements, and other mortgage insurance forms (Forms). Recently, Fannie Mae and Freddie Mac, under the direction of the Federal Housing Finance Agency, worked with the MassHousing Mortgage Insurance Fund (Fund) to update the Fund's loan loss reserve agreement and other Forms. These Forms describe the Fund's terms of mortgage insurance coverage on individual loans sold to or securitized by Fannie Mae, as well as other investors and guarantors.

As a reminder, lenders are prohibited from entering into any agreement that modifies the terms of any approved mortgage insurance master policy on loans delivered to Fannie Mae. See the *Selling Guide*, B7-1-01, Provision of Mortgage Insurance for additional information. The Fund's Forms are the equivalent of a private mortgage insurer's mortgage insurance master policy and are subject to this prohibition.

#### **Effective Date**

The updated Forms are required for loans with application dates on or after October 1, 2016, that are covered by the Fund. Loans with incorrect Forms are not eligible for delivery.

#### **List of Approved Mortgage Insurance Forms Updated**

Updates to this list are shown below.

- Replaced the previous MassHousing Forms with the following:
  - Loan Loss Reserve Agreement, LLRA 2016 Dated October 1, 2016;
  - Mortgage Payment Protection Endorsement, LLRA E-2016 Dated October 1, 2016; and
  - Commitment/Certificate, LLRA C-2016 Dated October 1, 2016.
- Added two Essent Guaranty, Inc. forms:
  - Bulk Delivery Endorsement, EGI-3002.001(07/16); and
  - Certificate Schedule for Bulk Delivery Endorsement, EGI-3002.002(07/16).
- Removed the following:
  - State of New York Mortgage Agency Mortgage Insurance Fund because it is no longer active and has been suspended by Fannie Mae; and
  - Genworth Residential Mortgage Insurance Corporation of North Carolina because it merged with Genworth Mortgage Insurance Corporation effective October 1, 2015, and no longer exists as a separate entity.

The updated [list](#) is on Fannie Mae's website.



## List of Approved Mortgage Insurers and Related Identifiers Updated

Updates to this list are shown below.

- Removed the following:
  - State of New York Mortgage Agency Mortgage Insurance Fund (SONYMA)  
SONYMA has not insured new mortgage loans in many years and we have no remaining exposure to SONYMA. As a result, we are suspending SONYMA, effective immediately, and deactivating ULDD Enumerated Value “SONYMA” and MI Code “40” from our delivery systems.
  - Genworth Residential Mortgage Insurance Corporation of North Carolina  
Genworth Residential Mortgage Insurance Corporation of North Carolina (including all of its assets and liabilities) was merged into Genworth Mortgage Insurance Corporation effective October 1, 2015, and no longer exists as a separate entity.
- Substituted the following:
  - ULDD Enumerated Value of “ArchMI” for Arch Mortgage Insurance Company replaces “CMG”  
Arch Mortgage Insurance Company acquired the former CMG Mortgage Insurance Company in January 2014. With the implementation of ULDD Phase 2, effective June 27, 2016, we now support the ULDD Enumerated Value of “ArchMI” for Arch Mortgage Insurance Company.
  - Lenders should no longer use “CMG” and need to replace “CMG” with “ArchMI” in the ULDD loan delivery file. “CMG” will no longer be an acceptable enumeration in Loan Delivery after December 31, 2016.

The updated [list](#) is on Fannie Mae’s website.

\*\*\*\*\*

Contact your Account Team if you have any questions about this Lender Letter.

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