



Date: February 13, 2012

Elimination of Reserves Requirements on Qualifying Rate/Term Refinances

Effective Date: February 13, 2012

Underwriting Guideline Eligibility Expansion

Essent is expanding eligibility and updating our **Underwriting Guideline Manual** to eliminate PITI reserves requirements on Primary Residence Rate/Term Refinance transactions subject to certain requirements. All changes will be effective for MI applications received on or after **February 13, 2012**. Details on the change are outlined below.

The updated **Underwriting Guideline Manual** and updated **Guidelines Summaries** are available on Essent's website (<http://www.essent.us>).

» Reserves Requirement

- » For Primary Residence Rate/Term Refinances, reserves are no longer required on fully amortizing fixed rate loans of ≤ 30 years scoring DU Approve/Eligible or LP Accept/Eligible when the refinance results in a reduced monthly mortgage principal & interest payment with the same or decreasing amortization term. Previously, 2 months PITI reserves were required for these transactions.
- » For all other transactions, the minimum 2 months PITI reserves requirement continues to apply.

If you have any questions regarding this change and update, please contact your Essent account representative.