

We are aligning with the GSEs' condo project and additional appraisal flexibilities

We're aligning with the GSEs' latest round of changes put in place to help lenders navigate underwriting challenges resulting from the ongoing COVID-19 pandemic.

The GSEs announced their changes on April 14, 2020, in the following releases:

- [Fannie Mae Lender Letter \(LL-2020-04\) - Updated](#) | *Impact of COVID-19 on Appraisals*
- [Freddie Mac Bulletin 2020-11](#) | *Selling Guidance Related to COVID-19*

These policy changes are effective immediately for all loans with loan application dates on or before May 17, 2020, including non-GSE loans we insure. We will not be updating our Underwriting Guide to reflect these temporary changes.

This round of COVID-19-related policy changes announced by the GSEs includes:

- Extending condominium project review waiver flexibilities for GSE-owned rate-term refinances on owner-occupied units up to a maximum loan-to-value (LTV) ratio of 90%. This does not apply to transactions involving second homes.
 - Note that for *non-GSE* rate-term refinances involving condominium projects with LTV ratios up to 90%, only loans currently in a lender's portfolio are eligible and GSE requirements pertaining to project review exemption and litigation must be followed.
- Allowing appraisers to use virtual inspection methods when completing desktop and exterior-only appraisals. Virtual inspections may not be used in instances where an interior/exterior appraisal is required.
- Clarifying that flexibilities allowing desktop and exterior-only appraisals are not allowed for:
 - Second home purchase transactions with LTV ratios exceeding 85%
 - Rate-term refinances that don't meet GSE-owned loan requirements

For more information

- Contact your MGIC representative, [mgic.com/contact](https://www.mgic.com/contact)
- Contact Customer Service, customer_service@mgic.com or 1-800-424-6442
- See our Underwriting Guide, [mgic.com/guides](https://www.mgic.com/guides)