



Underwriting Guidelines Summary

Effective Nov. 24, 2008

This summary highlights MGIC’s most common programs and our Restricted Market parameters. It does not replace our Underwriting Guide, which contains definitions and full details (www.cu.mgic.com/guides/underwriting.html).

Agency Automated Underwriting Systems (AUS) Considerations

MGIC will consider Debt-to-Income (DTI) ratios greater than the maximums shown in our Guide or this Summary – not to exceed 55% – if the loan:

- received a DU Approve, EA-1, EA-2 or EA-3; or an LP Accept, LP Caution A-Minus or LP Caution; and
- is eligible for purchase; and
- is manually underwritten by MGIC.

Loans for second homes that receive an EA recommendation, an LP Caution A-Minus or LP Caution are ineligible.

Regardless of credit score, MGIC-approved loans with an AU decision of EA-1, EA-2, EA-3, LP Caution A-Minus or LP Caution will receive our Expanded Criteria premium rates.

Credit Score Considerations

Regardless of the AU decision:

- In order for FICO scores to be considered, the credit report must show a minimum of 3 open and active tradelines within the past 12 months; otherwise, the loan may be considered under MGIC nontraditional credit guidelines.
- MGIC-approved loans with a representative credit score between 620-659 will receive Expanded Criteria premium rates.

Restricted Markets

Using internal and external information, MGIC has identified at-risk markets around the country, designated them as “Restricted” and established separate guidelines for them. Our Restricted Markets list (www.cu.mgic.com/restrictedmarkets) is monitored continually and updated on a quarterly basis.

Restricted Markets also include those identified as declining markets by the appraiser, lender or investor.

Contents

Primary Residence Parameters.....	page 2
Second Home Parameters	3
Manufactured Home Parameters	4
Streamline Refinance Parameters	5
Conforming Jumbo Loan Parameters	6
Construction-Permanent and Appraised “Subject to Completion” Parameters	7
Restricted Market Parameters.....	8

Primary Residence Parameters

	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
LTV/Loan Amount	Purchase	1	97% ¹	\$417,000	700
	Purchase & Rate/Term Refinance	1	95%	\$417,000	620
		2	95%	\$533,850	680
		1	90%	\$650,000 ²	700
	Cash-Out Refinance	1	90%	\$417,000	680
Documentation Type	Full Documentation				
	Ineligible: Reduced Documentation				
Loan Purpose	See LTV/Loan Amount section above. Appraised "Subject to Completion," see p. 7.				
	Cash-Out Refinance – Maximum cash back, \$100,000, Property must be "as is," 6 months seasoning required on liens or listing				
Occupancy	Primary Residence				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM – ARMs with an initial term of less than 5 years and an annual effective rate cap greater than 1% – Maximum 95% LTV/CLTV*				
	Balloon with an initial term of 5 years or more – Maximum 95% LTV/CLTV*				
	Temporary Buydown – Maximum 95% LTV/CLTV* (Cash-Out Refinances - Ineligible)				
	Interest-Only – Maximum 95% LTV/CLTV; Minimum 680 FICO* (Cash-Out Refinances - Ineligible)				
	GPM – Maximum 90% LTV/CLTV*				
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*				
Credit	Nontraditional Credit* – Maximum 95% LTV/CLTV. All loans must be manually underwritten by MGIC. (Cash-Out Refinances - Ineligible)				
	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
	No bankruptcies, deeds in lieu, short sales or foreclosures in the past 4 years				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached (including condominiums)				
	Cooperatives – Maximum 90% LTV/CLTV (Cash-Out Refinances - Ineligible)				
	Manufactured Homes* – Maximum 90% LTV/CLTV (Cash-Out Refinances - Ineligible)				
	Ineligible: Nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution	Purchase – 3% of borrower's own funds				
Reserves	< 720 FICO requires 2 months' PITI*				
Seller/Builder Contribution	LTV/CLTV		Maximum Contribution		
	97%		3%		
	90%		6%		
DTI Ratio	45% Total DTI (See p. 1 for AUS Considerations.)				
Notes	<ul style="list-style-type: none"> Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.cu.mgic.com/restrictedmarkets for more information and a Market Search look-up tool to determine whether MGIC Restricted Market Guidelines apply. Loan must meet all other standard MGIC guidelines. <p>*See complete guidelines at www.cu.mgic.com for additional criteria that may apply.</p> <p>¹ First-time homebuyers only; fixed payments for first 5 years; property appraised "as is"</p> <p>² Or up to the applicable GSE Conforming Jumbo Loan limit (see p. 6)</p>				

Second Home Parameters

LTV/Loan Amount	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Purchase & Rate/Term Refinance	1	90%	\$417,000	680
Documentation Type	Full Documentation				
	Ineligible: Reduced Documentation				
Loan Purpose	See LTV/Loan Amount section above. Property must be “as is.”				
	Ineligible: Cash-Out Refinance, Construction Loan				
Occupancy	Second Home				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM*				
	Balloon with an initial term of 5 years or more*				
	Temporary Buydown*				
	Interest-Only – Maximum 90% LTV/CLTV*				
	GPM*				
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*				
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
	No bankruptcies, deeds in lieu, short sales or foreclosures in the past 4 years				
	Ineligible: Nontraditional credit				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached (including condominiums)				
	Cooperatives – Maximum 90% LTV/CLTV				
	Manufactured Homes* – Maximum 90% LTV/CLTV				
	Ineligible: Nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution	Purchase – 5% from borrower’s own funds				
Reserves	< 720 FICO requires 2 months’ PITI				
Seller/Builder Contribution	LTV/CLTV			Maximum Contribution	
	90%			6%	
DTI Ratio	41% Total DTI (see p. 1 for AUS Considerations)				
Notes	<ul style="list-style-type: none"> • In order to be eligible for MGIC MI, a Second Home must: <ul style="list-style-type: none"> – have the intended use and enjoyment for the exclusive benefit of the homeowner – be suitable for year-round occupancy – have full kitchen facilities with standard-sized appliances – have separate rooms for living and sleeping – have no lock-out bedrooms – not be part of a rental pool agreement • Rental income is not considered for qualification purposes. • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.cu.mgic.com/restrictedmarkets for more information and a Market Search look-up tool to determine whether MGIC Restricted Market Guidelines apply. • Loan must meet all other standard MGIC guidelines. <p>*See complete guidelines at www.cu.mgic.com for additional criteria that may apply.</p>				

Manufactured Home Parameters

	Occupancy	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
LTV/Loan Amount	Primary Residence	Purchase & Rate/Term Refinance	1	90%	\$417,000	660
	Second Home	Purchase & Rate/Term Refinance	1	90%	\$417,000	680
Documentation Type	Full Documentation					
	Ineligible: Reduced Documentation					
Loan Purpose	See LTV/Loan Amount section above.					
	Ineligible: Cash-Out Refinance					
Occupancy	See LTV/Loan Amount section above.					
Loan Type	Fixed-Rate					
	Fully Amortizing ARM*					
	Ineligible: Interest-Only, Balloon, Temporary Buydown, Potential Neg-Am, Scheduled Neg-Am, GPM					
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*					
	No bankruptcies, foreclosures, deeds in lieu or short sales within the past 4 years					
	Ineligible: Nontraditional credit					
Credit Score	See LTV/Loan Amount section above.					
Property Type	Ineligible: Cooperatives, single-wide manufactured homes, leased land					
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.					
Minimum Borrower Contribution				Borrower's Own Funds		
	Purchase – Primary Residence			3%		
	Purchase – Second Home			5%		
Reserves	2 months' PITI					
Seller/Builder Contribution	6% Maximum Contribution					
DTI Ratio	Primary Residence – 45% Total DTI (see p. 1 for AUS Considerations) Second Home – 41% Total DTI (see p. 1 for AUS Considerations)					
Notes	<ul style="list-style-type: none"> • Manufactured homes are residential structures built on a steel undercarriage with a wheel assembly for transportation in one or more sections to a permanent site and are deemed real estate. • Maximum 5-acre lot • Minimum square footage – 1,200 • Full URAR and the 70B Manufactured Home Addendum or Form 1004C/Form 70B, as required by AU systems • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.cu.mgic.com/restrictedmarkets for more information and a Market Search look-up tool to determine whether MGIC Restricted Market Guidelines apply. • Loan must meet all other standard MGIC guidelines. <p>*See complete guidelines at www.cu.mgic.com for additional criteria that may apply.</p>					

Streamline Refinance Parameters

Eligible Loans	Existing MGIC-Insured Loans Only			
	Occupancy	Units	Max. LTV/CLTV	Min. Credit Score
	Same as originally insured	Same as originally insured	Maximum 100%, based on current value	No minimum
Documentation Type	Current Residential Loan Application Form 1003/65 or Underwriting Summary Form 1008			
	Current Credit Report			
	Current Payment History			
	Current Property Valuation			
Loan Purpose	Rate/Term Refinance – <ul style="list-style-type: none"> • The lesser of 2% or \$2,000 cash back • Reasonable closing costs may be added to balance, not to exceed the lesser of 3% or \$7,500. 			
Occupancy	See LTV/Loan Amount section above.			
Loan Type	Fixed-Rate			
	Fully Amortizing ARM – Minimum 5 years to first adjustment*			
	Interest-Only (minimum 5 years for ARM, 10 years for Fixed-Rate)			
Credit	Mortgage payment history	Current at application		
		0x30 in the most recent 12 months		
Property Type	Same as original			
Subordinate Financing	Existing financing may be re-subordinated. Maximum 100% CLTV			
Minimum Borrower Contribution	Not Applicable			
Reserves	Not Applicable			
Seller/Builder Contribution	Not Applicable			
DTI Ratio	Not Applicable			
Payment Change	No increase in P & I from existing loan			
Premium	<ul style="list-style-type: none"> • Rate Category must remain the same (i.e., A = A; A- = A-; Alt-A = Alt-A). • Ineligible: SingleFile • Percentage of coverage must remain the same. • Currently filed premium rates apply. Premium rate is based on new instrument. 			
Notes	<ul style="list-style-type: none"> • Restricted Market parameters do not apply to eligible Streamline Refinance loans. • Loans not meeting these guidelines are subject to MGIC's standard refinance guidelines and documentation requirements. *See complete guidelines at www.cu.mgic.com for additional criteria that may apply.			

Conforming Jumbo Loan Parameters

MGIC's Conforming Jumbo Loan Parameters apply to loans that exceed MGIC's standard maximum loan amount limits, but are within Fannie Mae's or Freddie Mac's Conforming Jumbo limits.

LTV/Loan Amount	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	1	90%	Conforming Jumbo	700
Documentation Type	Full Documentation			
	Ineligible: Reduced Documentation			
Loan Purpose	Purchase and Rate/Term Refinance			
	Ineligible: Cash-Out Refinance			
Occupancy	Primary Residence			
Loan Type	Fixed-Rate			
	Fully Amortizing ARM*			
	Balloon with an initial term of 5 years or more*			
	Temporary Buydown*			
	Interest-Only*			
	GPM*			
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*			
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*			
	No bankruptcies, deeds in lieu, short sales or foreclosures in the past 4 years			
	Ineligible: Nontraditional credit			
Credit Score	See LTV/Loan Amount section above for maximum CLTV.			
Property Type	Detached			
	Attached (including condominiums and cooperatives)			
	Ineligible: Attached Housing and condominiums in Florida; nonwarrantable condominiums			
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.			
Minimum Borrower Contribution	Purchase – 5% from borrower's own funds			
Reserves	< 720 requires 2 months' PITI			
Seller/Builder Contribution	3% Maximum Contribution			
DTI Ratio	45% Total DTI			
Notes	<ul style="list-style-type: none"> • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.cu.mgic.com/restrictedmarkets for more information and a Market Search look-up tool to determine whether MGIC Restricted Market Guidelines apply. • Loan must meet all other standard MGIC guidelines. <p>*See complete guidelines at www.cu.mgic.com for additional criteria that may apply.</p>			

Construction-Permanent and Appraised “Subject to Completion” Parameters

	Market Conditions	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
LTV/Loan Amount	Nonrestricted	1	95%	\$417,000	700
		1	90%	\$650,000 ¹	700
	Restricted	1	90%	\$417,000	700
		1	85%	\$650,000 ¹	700
Documentation Type	Full Documentation				
	Ineligible: Reduced Documentation				
Loan Purpose	Construction-Permanent and Appraised “Subject to Completion”*				
Occupancy	Primary Residence				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM*				
	Balloon with an initial term of 5 years or more*				
	Temporary Buydown*				
	Interest-Only*				
	GPM*				
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*				
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
	No bankruptcies, deeds in lieu, short sales or foreclosures in the past 4 years				
	Ineligible: Nontraditional credit				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached (including condominiums)				
	Ineligible: Attached Housing and condominiums in Florida; nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution	3% of borrower’s own funds or Lot Equity*				
Reserves	< 720 FICO requires 2 months’ PITI				
Seller/Builder Contribution	LTV/CLTV		Maximum Contribution		
	95%		3%		
	90%		6%		
DTI Ratio	45% Total DTI (see p. 1 for AUS Considerations)				
Notes	<ul style="list-style-type: none"> • Purchase price and/or total acquisition cost must be documented. • LTV is based on the lower of the purchase price, acquisition cost or the appraised value. • Insurance premiums must be received based on closing date of the construction loan and the applicable premium plan in order for coverage to be effective. • MGIC commitment/certificate will be issued for a period of 12 months. • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.cu.mgic.com/restrictedmarkets for more information and a Market Search look-up tool to determine whether MGIC Restricted Market Guidelines apply. • Loan must meet all other standard MGIC guidelines. <p>*See complete guidelines at www.cu.mgic.com for additional criteria that may apply.</p> <p>¹ Or up to the applicable GSE Conforming Jumbo Loan limit (see p. 6)</p>				

Restricted Market Parameters

Primary Residence					
LTV/Loan Amount	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score²
	Purchase	1	95% ¹	\$417,000	700
	Purchase & Rate/Term Refinance	1-2	90%	\$417,000	680
		2	85%	\$533,850	680
		1	85%	\$650,000 ³	700
Second Home ⁴					
LTV/Loan Amount	Purchase & Rate/Term Refinance	1	90%	\$417,000	680
Documentation Type	Full Documentation Ineligible: Reduced Documentation				
Loan Purpose	See LTV/Loan Amount section above. Appraised "Subject to Completion" – Maximum 90% LTV/CLTV*; Minimum 700 FICO. Second Home – Appraisal must be "as is." Ineligible: Cash-Out Refinance				
Occupancy	Primary Residence or Second Home (Second Home Construction Loans – Ineligible)				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM – Maximum 90% LTV/CLTV*				
	Balloon with an initial term of 5 years or more – Maximum 90% LTV/CLTV*				
	Temporary Buydown – Maximum 90% LTV/CLTV*				
	GPM – Maximum 90% LTV/CLTV* Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs; Interest-Only*				
Credit	Nontraditional Credit* – Primary Residence only; all loans must be manually underwritten by MGIC. Ineligible: Second Home				
	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
	No bankruptcies, deeds in lieu, short sales or foreclosures in the past 4 years				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached – Maximum 90% LTV/CLTV				
	Condominiums & Cooperatives (attached & detached) - Maximum 90% LTV/CLTV				
	Manufactured Homes* – Maximum 90% LTV/CLTV Ineligible: Attached Housing and condominiums in Florida; nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution				Borrower's Own Funds	
	Purchase – Primary Residence			3%	
	Purchase – Second Home			5%	
Reserves	< 720 FICO requires 2 months' PITI				
Seller/Builder Contribution	LTV/CLTV			Maximum Contribution	
	95%			3%	
	90%			6%	
DTI Ratio	Primary Residence – 45% Total DTI (see p. 1 for AUS Considerations) Second Home – 41% Total DTI (see p. 1 for AUS Considerations)				
Notes	<ul style="list-style-type: none"> • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.cu.mgic.com/restrictedmarkets for more information and a Market Search look-up tool to determine whether MGIC Restricted Market Guidelines apply. • Loan must meet all other MGIC guidelines. *See complete guidelines at www.cu.mgic.com for additional criteria that may apply. <p>¹ First-time homebuyers only; fixed payments for first 5 years; AZ, CA, FL & NV – Maximum 90% LTV/CLTV; property appraised "as is" ² Minimum 720 FICO in AZ, CA, FL & NV ³ Or up to the applicable GSE Conforming Jumbo Loan limit (see p. 6) ⁴ Second Homes and Construction-Permanent loans are not eligible in AZ, CA, FL & NV.</p>				

Mortgage Guaranty Insurance Corporation

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