



CREDIT UNION TIER ONE RESTRICTED MARKETS RATE CARD OCTOBER 2009

See www.cu.mgic.com/restrictedmarkets for a current list of MGIC-identified restricted markets.

LOAN PROGRAM CATEGORIES

FIXED WITH LEVEL PAYMENTS FOR THE FIRST 5 YEARS – This category applies to loans with level or declining payments for the first five years. It does not include loans with buydowns or rate concessions.

NONFIXED WITH ANNUAL CAPS \leq 1% – This category applies to loans with an annual effective interest rate cap of 1% or less during the first five years. Eligible examples include:

- fixed-rate loans with 1% annual temporary buydowns;
- 6- and 12-month ARMs with annual effective rate caps of 1% or less; and
- 3/3 and 3/1 ARMs with initial interest rate adjustments of 3% or less.

NOTE: GPM loans cannot have annual payment increases of more than 7.5%.

NONFIXED WITH ANNUAL CAPS $>$ 1% – This category applies to loans with actual or potential payment changes greater than 1% during the first five years.

For all Loan Program Categories – Loans featuring potential negative amortization are not eligible for MGIC mortgage insurance.

RATE SELECTION

30-Year 30-Year rates apply to loans with an amortization period greater than 25 years up to a maximum of 40 years.

25-Year & Under 25-Year & Under rates apply to loans that fully amortize over 25 years or less.

LTV LTV category is selected based on first lien only.

RATE PRODUCT NOTES

Monthly Premiums require the first month's premium at closing. Subsequent months are billed by MGIC. Monthly rate charts show the annualized rates. To determine the monthly premium, multiply the applicable premium rate by the loan amount and divide that product by 12. Premiums are rounded to the nearest penny. Refunds are prorated.

ZOMP! (Zero-Option Monthly Premiums) are billed in arrears, so no premium is due at closing. Refunds are prorated.

Nonrefundable Monthly/ZOMP! Premiums are refunded on a prorated basis if coverage is cancelled or terminated under the Homeowners Protection Act (HPA) of 1998.

Level Annuals' initial and renewal premiums are the same. The first year's premium is due at closing; subsequent annual premiums are due on the anniversary of the closing. All refunds are prorated.

One-Time MI is financeable and provides coverage until the loan amortizes to 78% of original value, unless previously cancelled. If premium is financed, an endorsement providing enhanced claims coverage acceptable to the agencies is included. Consult with Fannie Mae/Freddie Mac to determine whether delivery of these loans requires special approval.



Constant Renewals are applied to the original insured loan balance. The rate for years 2-10 is the same as the first-year rate. For years 11-term, the renewal rate is reduced to .20% or remains the same if less than .20%. Premium adjustments do not apply beginning year 11.

Declining Renewals are applied to the outstanding insured loan balance. The rate for years 2-term is the same as the first-year rate. For Monthly Premiums/ZOMP!, the loan balance is adjusted at each anniversary of the certificate.

UNDERWRITING NOTES

Employee Relocation Loans must meet Fannie Mae/Freddie Mac guidelines published at origination.

Standard Agency Coverage Requirements are highlighted:

-  for loan terms $>$ 20 years
-  for loan terms \leq 20 years

RESTRICTED MARKETS NOTES

Properties in MGIC-identified restricted markets are subject to special rates and guidelines. See the list of areas and guidelines at www.cu.mgic.com/restrictedmarkets.

Rates may vary from state to state. Select borrower-paid MI rates (Monthly Premiums/ZOMP!, One-Time MI and Expanded Criteria) based on property location. Select lender-paid MI rates (SingleFile) by lender location. New York has special requirements for the use of credit scoring. For additional coverages and information on the availability of these programs, please call your MGIC representative or your MGIC Regional Underwriting Service Center.

Monthly Premiums & ZOMP!

MONTHLY PREMIUMS & ZOMP!			FIXED LEVEL PAYMENTS FOR THE FIRST 5 YEARS	NONFIXED ANNUAL CAPS ≤ 1%	NONFIXED ANNUAL CAPS > 1%
			30-Year	30-Year	30-Year
Base LTV (%)	MGIC Coverage (%)	Reduces Exposure To (%)	1st Year & Renewals	1st Year & Renewals	1st Year & Renewals
			No Refund	No Refund	No Refund
95* -90.01	35	62	.72%	.85%	.88%
	30	67	.62	.70	.74
	25	72	.51	.57	.61
	22	75	.48	.54	.57
	18	78	.41	.44	.47
	16	80	.36	.38	.41
90 -85.01	35	59	.52	.65	.68
	30	63	.46	.57	.61
	25	68	.38	.47	.51
	20	72	.31	.36	.40
	18	74	.28	.33	.37
	17	75	.25	.30	.34
	12	80	.21	.22	.25
85 & Under	30	60	.40	.47	.51
	25	64	.32	.37	.40
	20	68	.28	.33	.36
	12	75	.20	.21	.24
	6	80	.15	.16	.17

Premium Adjustments for Monthly Premiums & ZOMP!

Rate-and-Term Refinance	+ .10%
Second Homes	+ .14%
Loan Amounts > \$417,000	+ .25%
Level Annual Premium (Refundable)	- .04%
Refundable Monthly Premium	+ .01%
25-Year & Under	- .11%
Employee Relocation Loans	
• LTVs of 85.01% to 90%	- .10%
• LTVs of 85% or less	- .07%
Note: Rates cannot be reduced below .10%.	

*LTVs greater than 90% are limited to certain loan characteristics and markets. Please see our complete Underwriting Guide or Underwriting Guidelines Summary on www.cu.mgic.com/restrictedmarkets.

One-Time MI

ONE-TIME MI BPMI		FIXED LEVEL PAYMENTS FOR THE FIRST 5 YEARS		NONFIXED ANNUAL CAPS ≤ 1%		NONFIXED ANNUAL CAPS > 1%		
		30-Year	25-Year & Under	30-Year	25-Year & Under	30-Year	25-Year & Under	
		Refundable	Refundable	Refundable	Refundable	Refundable	Refundable	
95* -90.01	Base LTV (%)	35	3.05%	1.80%	3.50%	1.90%	3.85%	2.15%
	MGIC Coverage (%)	30	2.55	1.50	2.90	1.60	3.10	1.75
		25	2.15	1.25	2.35	1.35	2.55	1.55
		22	2.00	1.15	2.20	1.25	2.40	1.40
		18	1.65	1.00	1.85	1.10	2.00	1.15
	16	1.60	.90	1.80	1.00	1.90	1.10	
90 -85.01	Base LTV (%)	35	2.25	1.20	2.60	1.30	2.90	1.60
	MGIC Coverage (%)	30	1.90	.95	2.15	1.05	2.35	1.25
		25	1.60	.75	1.75	.85	1.90	1.00
		20	1.25	.65	1.30	.65	1.45	.90
		18	1.15	.60	1.20	.55	1.35	.73
	17	1.10	.35	1.15	.50	1.30	.65	
	12	.85	.20	.95	.25	1.00	.35	
85 & Under	Base LTV (%)	30	1.50	.75	1.85	1.00	1.95	1.20
	MGIC Coverage (%)	25	1.12	.60	1.40	.80	1.55	.95
		20	1.00	.50	1.20	.65	1.35	.75
		17	.95	.35	1.00	.50	1.15	.60
		12	.75	.20	.80	.25	.95	.35
	6	.50	.15	.60	.20	.75	.30	

Premium Adjustments for One-Time MI

Rate-and-Term Refinance	+ .40%
Second Homes	+ .60%
Loan Amounts > \$417,000	+1.25%
Employee Relocation Loans	
• LTVs greater than 85%	- .40%
• LTVs of 85% or less	- .25%
Note: Rates cannot be reduced below .50% for loan terms greater than 25 years or below .15% for loan terms 25 years or less.	

Notes for One-Time MI:

When the One-Time MI premium is financed into the loan amount, the LTV category is determined by the loan amount before the premium is added.

If One-Time MI coverage is cancelled within the first five years, MGIC will provide a prorated refund.

For loans cancelled or terminated under HPA, see MGIC's One-Time MI Refund Information (71-41869).

Expanded Criteria

DU 7.0 EA-1, EA-2 or EA-3 LP A-Minus Eligible or Caution Eligible

MONTHLY PREMIUMS & ZOMP!			FIXED LEVEL PAYMENTS FOR THE FIRST 5 YEARS		NONFIXED ANNUAL CAPS ≤ 1%
			30-Year		30-Year
			1st Year & Renewals	Refundable	1st Year & Renewals
95* -90.01	Base LTV (%)	35	62	1.37%	1.53%
	MGIC Coverage (%)	30	67	1.20	1.34
	Reduces Exposure To (%)	25	72	1.08	1.21
		22	75	.99	1.11
		18	78	.85	.93
	16	80	.79	.85	
90 -85.01	Base LTV (%)	35	59	1.05	1.18
	MGIC Coverage (%)	30	63	.88	.99
	Reduces Exposure To (%)	25	68	.76	.85
		20	72	.67	.75
		18	74	.63	.70
	17	75	.61	.68	
	12	80	.52	.58	
85 & Under	Base LTV (%)	30	60	.75	.84
	MGIC Coverage (%)	25	64	.69	.77
	Reduces Exposure To (%)	20	68	.65	.73
		18	70	.60	.68
		17	71	.58	.65
	12	75	.44	.49	
	6	80	.38	.43	

Premium Adjustments for Expanded Criteria

Rate-and-Term Refinance	+ .10%
Second Homes	+ .14%
25-Year & Under	- .11%
Loan Amounts > \$417,000	+ .25%

Can't find your calculator?

MGIC's **Rate Finder** will calculate your initial and renewal premium rates for you.

Visit our Rate Finder at www.cu.mgic.com

Tier One Restricted Market Parameters

Primary Residence						
LTV/Loan Amount	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score	
	Purchase		1	95% ¹	\$417,000	700
			1	90%	\$417,000	680
	Rate/Term Refinance ²		1	90%	\$417,000	700
Purchase or Rate/Term Refinance ²		1	85%	FHFA ³	700	
Documentation Type	Full Documentation					
Loan Purpose	See LTV/Loan Amount section above.					
	Construction-Permanent – Maximum 90% LTV/CLTV					
	Appraised “Subject to Completion” – Maximum 90% LTV/CLTV					
	Ineligible: Cash-Out Refinance					
Occupancy	Primary Residence, Second Homes (See Page 4)					
Loan Type	Fixed-Rate					
	Fully Amortizing ARM. ARMs with an initial term less than 5 years – Maximum 90% LTV/CLTV					
	Balloon with an initial term of 5 years or more					
	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 – Maximum 90% LTV/CLTV. All loans must be manually underwritten by MGIC.					
	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					
	Condominiums – Maximum 90% LTV/CLTV					
	Cooperatives – Maximum 90% LTV/CLTV					
	Ineligible: Nonwarrantable condominiums, manufactured homes					
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV (HCLTV) requirements.					
Minimum Borrower Contribution	3% of borrower’s own funds					
Reserves	2 months’ PITI					
Seller/Builder Contribution	LTV/CLTV	95%	Maximum Contribution	3%		
	LTV/CLTV	90%	Maximum Contribution	6%		
DTI Ratio	41% Total DTI					
Program Guidelines	<p>See complete guidelines at www.cu.mgic.com/uwguide for additional criteria that may apply.</p> <ul style="list-style-type: none"> • Loans secured by properties located in Restricted Markets must meet MGIC’s applicable Tier One or Tier Two Restricted Market Parameters. • 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>¹First-time homebuyers only – A first-time homebuyer is an individual who: (1) is purchasing the property; (2) will reside in the property; and (3) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the property.</p> <p>²Rate/Term Refinance – Payoff of a purchase money second lien is allowed if:</p> <ul style="list-style-type: none"> - The junior lien was originated as a purchase-money second mortgage (seller or institutional financing) with the first and second lien recorded simultaneously, or - The only draw of a Home Equity Line of Credit (HELOC) was for the acquisition of the subject property and is supported by the HUD-1 and loan history. <p>³Agency-conforming loan limits, as set by FHFA.</p>					

Mortgage Guaranty Insurance Corporation

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