



# Credit Union Rates - October 2009

## 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
Base LTV (%)	MGIC Coverage (%)	Reduces Exposure To (%)	1st Year & Renewals	1st Year & Renewals
			Refundable	Refundable
97* -95.01 FICO ≥ 700	35	64	1.53%	1.71%
	30	68	1.35	1.51
	25	73	1.14	1.28
	20	78	.97	1.08
	18	80	.90	1.00
95* -90.01	35	62	1.37	1.53
	30	67	1.20	1.34
	25	72	1.08	1.21
	22	75	.99	1.11
	18	78	.85	.93
90 -85.01	16	80	.79	.85
	35	59	1.05	1.18
	30	63	.88	.99
	25	68	.76	.85
	20	72	.67	.75
	18	74	.63	.70
85 & Under	17	75	.61	.68
	12	80	.52	.58
	30	60	.75	.84
	25	64	.69	.77
	20	68	.65	.73
	18	70	.60	.68
85 & Under	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%

**UNDERWRITING NOTES**

3/2 Option Loans, where only a portion comes from the borrower's own funds and the rest from a gift, grant or loan, use 95.01%-97% rates.

Standard Agency Coverage Requirements are highlighted:

- for loan terms > 20 years
- for loan terms ≤ 20 years

*\*Note: LTVs greater than 95% are limited to certain loan characteristics and markets. LTVs greater than 90% may not be eligible in all markets. Please see our complete Underwriting Guide or Underwriting Guidelines Summary on [www.cu.mgic.com](http://www.cu.mgic.com).*



## Rate Notes - October 2009 Expanded Criteria

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### 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 ≤ 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%.

**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.

**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.

### RESTRICTED MARKETS NOTES

Properties in MGIC-identified restricted markets are subject to special guidelines. See the list of areas and guidelines at [www.cu.mgic.com/restrictedmarkets](http://www.cu.mgic.com/restrictedmarkets).

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**Rates may vary from state to state and must be selected based upon the location of the property. 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.**