

Effective Immediately

PreQual Program/Commitments Issued Subject to Property Being Selected

- PreQual letters and Commitments issued for potential purchases prior and subject to the identification of the property will be valid for a period of 30 days from the date of issuance.
- If the terms of information used to secure the PreQual letter or Commitment change, the loan is subject to underwriting guidelines in place at the time MGIC is notified of the change.

Agency AU Systems and DTI's

- As specified in MGIC's Guideline Summary, our maximum DTI is 45%.
- MGIC will consider DTI's up to 55% for loans receiving DU Approve, LP Accept and EA-1 recommendations.
- If an Agency AUS recommendation is obtained, MGIC requires that the lender disclose the recommendation when submitting the mortgage insurance application. If the loan is submitted to both DU and LP, the lender should submit to MGIC the recommendation used to render the loan decision.

Modifications to our Restricted Markets

1. MGIC is removing the State of Kentucky from its list of Restricted States, effective immediately.

MGIC's Restricted Market Guidelines and credit union premium programs apply to loans secured by properties in the following Kentucky counties, which are part of the Cincinnati CBSA:

- Boone
- Bracken
- Campbell
- Gallatin
- Grant
- Kenton
- Pendleton

MGIC Credit Union Underwriting Guidelines and premium programs apply to loans secured by properties in all other Kentucky counties.

2. With the recent Fannie and Freddie changes regarding declining markets, we are modifying our Restricted Markets definition to include the following:
 - loans secured by properties in MGIC-specified markets or
 - loans secured by properties where the appraiser identifies the values as declining or
 - loans in a lender-identified declining market

All other aspects of [MGIC's Restricted Markets Underwriting Parameters](#) remain as previously announced.

Effective July 1, 2008

MGIC's SingleFileSM and Standard LPMI

MGIC is combining our SingleFileSM and Standard LPMI programs effective July 1, 2008.

The combined SingleFile/LPMI program will feature a new premium rate structure. The new rates can be previewed by [clicking here](#). These revised rates are subject to regulatory approval.

Separate SingleFile underwriting guidelines are no longer applicable as of July 1, 2008. Instead, MGIC's [credit union underwriting guidelines](#) will apply. Our new program continues to offer both monthly and single-premium options.

Construction-Permanent and Construction-Purchase Loan Requirements

Construction-perm loan – is a financing situation where the borrower owns the lot; is financing the construction; and will secure a “permanent” or “end” loan on the property.

Construction-purchase loan – is a loan for new construction where the builder owned the lot and the appraisal is subject to completion.

Standard (newly constructed) purchase – is a loan for a newly constructed home where the builder owned the lot and construction is complete or nearly complete.

Commitment Terms

- Construction-perm or construction-purchase – 12 months
- Standard (newly constructed) purchase – 6 months*

*Note: Requests to extend the 6 month commitment period will only be considered if the loan meets the construction/purchase guidelines in place at that time.

Construction-perm & Construction-purchase Guidelines

- Minimum FICO raised to 700
- Maximum LTV lowered to 95% (90% Restricted Markets)
- Limited to 1-unit structures
- Limited to owner-occupied primary residences
- Cost of acquisition (COA) must be documented
- LTV based on lower of COA, purchase price, or appraised value

Construction-perm loans

- For MI coverage during construction MI must be activated within 15 days of closing of the construction loan. A pay history will be required for exceptions exceeding 90 days.
- The “perm” loan segment within a construction-perm cannot be classified as a refinance
- Lot equity applied to the down payment must use the lower of a current appraisal or purchase price if purchased within 12 months.
- Lot equity applied to the down payment use the current appraisal if purchased more than 12 months prior.