

This bulletin is a reminder of the changes announced on March 25, 2008, which become effective with MI applications received by MGIC on Monday, April 14, 2008.

Additionally, we want to point out changes made to our SingleFilesm (LPMI) program. In Restricted Markets, the minimum FICO score required to be eligible for the SingleFilesm program has been increased to 720. SingleFilesm rates for borrowers with FICOs of 680 to 699 have been increased. Below is an excerpt of the revised rate card showing standard coverages. Rates for FICO scores 700 and above remain unchanged.

LTV / Coverage	>95% / 35%	95% / 30%	90% / 25%	85% / 12%
FICO				
680-699 Singles	2.72%	2.04%	1.36%	.82%
680-699 Monthlies	.80%	.60%	.40%	.24%

Also, please note that CLTV is now defined by MGIC to refer to all acronyms used to describe the ratio of the total amount of all loans secured by the subject property whether drawn or not, to the lesser of the sales price or the appraised value (e.g., TLTV, HCLTV, etc.).

March 25, 2008 Announcement

The following changes apply to mortgage insurance applications received from our credit union customers on or after **April 14, 2008**:

Loans with the following characteristics are ineligible:

- An AUS recommendation of DU EA-2, DU EA-3, DU Refer with Caution
- Loans with FICOs less than 620 regardless of AUS recommendation
- Cash-out refinances of investment properties

Standard (A) Guideline Changes Include:

- The maximum LTV/CLTV is reduced to 97%.
- Loans with nontraditional credit require a manual MGIC underwrite and are limited to a maximum LTV/CLTV of 95%.
- Loans with the potential for negative amortization are eligible to a maximum LTV of 90% with a minimum FICO of 660.

Expanded Criteria (A-) Guideline Changes Include:

- AUS recommendations of DU EA-1 and LP Caution A- Eligible must meet our Expanded Criteria guidelines. The following changes are being made to these guidelines.
 - The maximum LTV/CLTV is 95%.
 - Loans featuring potential negative amortization are not eligible
 - Second homes, investment properties, and 3- to 4-unit primary residences are not eligible
 - ARMs with an initial term of less than 5 years and a rate cap in excess of 1% per year will no longer be eligible

Reduced Documentation (Alt-A) Guideline Changes Include:

- The maximum LTV/CLTV is 90%.
- The minimum representative credit score is 660.
- Loan must have at least 50% of the qualifying income from a self-employed source.
- NINA, No Doc, and No Ratio loans are ineligible.
- Investment property loans are ineligible.
- Cash-out refinances are ineligible.
- Loans featuring potential negative amortization are not eligible.
- ARMs with an initial term of less than 5 years and a rate cap in excess of 1% per year will no longer be eligible

Agency Decisions and Conforming Jumbo Product

MGIC no longer automatically approves mortgage insurance applications based on specific Agency AUS recommendations. Recently, the Agencies announced temporary expanded loan limits. MGIC will insure this Conforming Jumbo product that exceeds our standard loan amount limits, subject to the following:

- Loan application date of March 1, 2008, or later
- Purchase-only loans
- 1-Unit only
- Minimum FICO 700
- Maximum DTI – 45%
- Maximum Seller Contribution – 3%
- Primary Residence
- Full documentation
- Maximum LTV – 90%
- Maximum LTV – 85% in MGIC Restricted Markets
- A 10-basis-point add-on for loans greater than \$650,000

Restricted Markets

MGIC has identified certain markets as distressed or soft. A complete listing of these Restricted Markets can be found on our credit union website, www.cu.mgic.com. MGIC's Restricted Market Guidelines below, in addition to our standard guidelines for credit unions, will be applied to loans secured by properties:

- located in an MGIC Restricted Market or
- designated by the appraiser as in a market having declining values or
- That receive a "Declining Markets" message from either Desktop Underwriter[®] or Loan Prospector[®]

Standard (A) Guideline Changes in Restricted Markets Include:

- Maximum LTV/CLTV is 95%.
- Maximum LTV/CLTV for condominiums is 90%.
- For LTVs 90.01-95% the minimum representative credit score 680.
- MGIC's SingleFileSM (LPMI) program and all custom lender programs with loan amounts greater than \$417,000 is not available. Our standard LPMI program is available to the loan amount limits specified in our underwriting guide.

Expanded Criteria (A-) Guideline Changes in Restricted Markets:

- Maximum LTV/CLTV is 90%.
- Minimum FICO is 660.

The following are not eligible in Restricted Markets:

- Reduced Documentation (Alt-A) product
- Investor loans
- Cash-out refinances
- Potential negative amortization