

MGIC announces changes to its Restricted Markets, Tier Two Restricted Market Guidelines, Standard Underwriting Guidelines and several premium rate programs.

The Restricted Market changes will be effective Monday, September 21, 2009. The underwriting changes and rate changes (subject to regulatory approval) will be effective, Monday, October 12, 2009.

The updated Restricted Markets List will be posted to our website by September 16, 2009. Link to our Restricted Markets List → <http://www.mgic.com/guides/restrictedmarkets.html>

Changes to Restricted Markets	
Moving from <i>Tier One</i> Restricted Markets to Standard Markets	<ul style="list-style-type: none"> • Birmingham – Hoover, AL (CBSA – 13820) • Denver – Aurora - Broomfield, CO (CBSA – 19740) • Greeley, CO (CBSA – 24540) • Louisville – Jefferson County, KY - IN (CBSA – 31140) • St. Louis, MO – IL (CBSA – 41180) • Manchester, NH (CBSA – 31700) • Rockingham County – Strafford County, NH (CBSA – 40484) • Cincinnati – Middletown, OH – KY – IN (CBSA – 17140) • Columbus, OH (CBSA – 18140)
Moving from <i>Tier Two</i> to <i>Tier One</i> Restricted Markets	<ul style="list-style-type: none"> • Detroit-Livonia-Dearborn, MI (CBSA – 19804) • Chicago-Naperville-Joliet, IL (CBSA – 16974)
Changes to Tier Two Guidelines (Effective Oct. 12, 2009)	
Loans greater than \$417,000	<ul style="list-style-type: none"> • Minimum FICO 760 (All other requirements remain unchanged.)
Rate / Term Refinances	<ul style="list-style-type: none"> • Only loans that are currently insured by MGIC are eligible for Rate / Term Refinances • Loans not insured by MGIC are not eligible for Rate / Term Refinances
Condominiums / Cooperatives	<ul style="list-style-type: none"> • Maximum LTV 85% (Not eligible in FL)

Standard Underwriting Guidelines Change <i>(Effective Oct. 12, 2009)</i>	
Property Flips	<ul style="list-style-type: none"> • If the seller acquired the property 90 days or fewer from the date of the purchase contract, the loan is ineligible. • If the seller acquired the property more than 90 days but fewer than 180 days from the date of the purchase contract, the loan requires a manual MGIC underwrite. Form 1004 / 70 will be required. • The following property sales/transfers are not required to meet this policy where the seller is: <ul style="list-style-type: none"> ○ A lender, mortgage investor or a mortgage insurance company that acquired the property as a result of a foreclosure or a deed in lieu of foreclosure ○ A spouse who acquired the property through a divorce settlement ○ An employer that acquired the property through its relocation program ○ An administrator, executor, or personal representative selling property of an estate

We are changing our LPMI plans as follows:

- Increasing LPMI Singles nationally
- Increasing monthly LPMI rates in Tier Two Markets

Rate Changes <i>(Effective Oct. 12, 2009, pending regulatory approvals)</i>	
Tier Two Markets Rate Changes	<ul style="list-style-type: none"> • LPMI Monthly Increasing – Examples: <ul style="list-style-type: none"> ○ 90% LTV / 25% Coverage / FRM – .56% ○ 90% LTV / 17% Coverage / FRM – .47% ○ 85% LTV / 12% Coverage / FRM – .31% • LPMI Single Increasing – Examples: <ul style="list-style-type: none"> ○ 90% LTV / 25% Coverage / FRM – 2.24% ○ 90% LTV / 17% Coverage / FRM – 1.88% ○ 85% LTV / 12% Coverage / FRM – 1.24%
Non Restricted and Tier One Markets Rate Changes	<ul style="list-style-type: none"> • LPMI Singles (Non Refundable) Increasing – Examples: <ul style="list-style-type: none"> ○ 90% LTV / 25% Coverage / FRM – 1.80% ○ 90% LTV / 17% Coverage / FRM – 1.52% ○ 85% LTV / 12% Coverage / FRM – 1.00%