



Underwriting Guidelines Summary

Effective Oct. 1, 2008

This summary provides quick reference to each of MGIC's most common programs, as well as our Restricted Market parameters. It does not replace our Underwriting Guide, which contains definitions and full details (www.mgic.com/guides/underwriting.html).

Agency Automated Underwriting Systems (AUS) Considerations

MGIC does not automatically approve loans for mortgage insurance based on decisions obtained from Agency systems. However, MGIC will consider Debt-to-Income (DTI) ratios greater than the maximums shown in our Guide or this Summary – not to exceed 55% – if the loan is eligible for purchase and received a DU Approve, EA-1, EA-2 or EA-3; or an LP Accept, LP Caution A-Minus or LP Caution.

Loans for second homes that receive an EA recommendation or an LP Caution A-Minus or LP Caution are ineligible.

Loans that receive an EA-1, EA-2 or EA-3 recommendation, or an LP Caution A-Minus or LP Caution and are approved by MGIC will receive our Expanded Criteria premium rates.

Restricted Markets

Using both internal and external information, MGIC has identified "at-risk" markets around the country, designated them as "Restricted Markets" and established separate guidelines for them. Our Restricted Markets list at www.mgic.com/restrictedmarkets is monitored continually and updated on a quarterly basis.

Restricted Markets also include those identified as declining markets by the appraiser, lender or investor.

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Primary Residence Parameters

LTV/Loan Amount	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Purchase	1	97% ¹	\$417,000	700
	Purchase & Rate/Term Refinance	1	95%	\$417,000	620
		2	95%	\$533,850	680
	Cash-Out Refinance	1	90%	\$650,000 ²	700
Documentation Type	Full Documentation				
	Ineligible: Reduced Documentation				
Loan Purpose	See LTV/Loan Amount section above. Construction Loan – Maximum 95% LTV/CLTV*				
	Cash-Out Refinance – Maximum cash back, \$100,000				
Occupancy	Primary Residence				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM – ARMs with an initial term of less than 5 years and an annual effective rate cap greater than 1% – Maximum 95% LTV/CLTV*				
	Balloon with an initial term of 5 years or more – Maximum 95% LTV/CLTV*				
	Temporary Buydown – Maximum 95% LTV/CLTV* (Cash-Out Refinances - Ineligible)				
	Interest-Only – Maximum 95% LTV/CLTV; Minimum 680 FICO* (Cash-Out Refinances - Ineligible)				
	GPM – Maximum 90% LTV/CLTV*				
Credit	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*				
	Nontraditional Credit* – Maximum 95% LTV/CLTV. All loans must be manually underwritten by MGIC. (Cash-Out Refinances - Ineligible)				
	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
Credit Score	No bankruptcies in the past 2 years; no deeds in lieu, short sales or foreclosures in the past 3 years				
	Cash-Out Refinances – No bankruptcy or foreclosure in most recent 4 years				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached (including condominiums)				
	Cooperatives – Maximum 90% LTV/CLTV (Cash-Out Refinances - Ineligible)				
	Manufactured Homes* – Maximum 90% LTV/CLTV (Cash-Out Refinances - Ineligible)				
	Ineligible: Nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution	Purchase – 3% of borrower's own funds				
Reserves	< 720 FICO requires 2 months' PITI*				
Seller/Builder Contribution	LTV/CLTV		Maximum Contribution		
	97%		3%		
	90%		6%		
DTI Ratio	45% Total DTI (See p. 1 for AUS Considerations.)				
Notes	<ul style="list-style-type: none"> • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.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>*See complete guidelines at www.mgic.com for additional criteria that may apply.</p> <p>¹ First-time homebuyers only; fixed payments for first 5 years ² Or up to the applicable GSE Conforming Jumbo Loan limit (see p. 6)</p>				

Second Home Parameters

LTV/Loan Amount	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Purchase & Rate/Term Refinance	1	95%	\$417,000	680
Documentation Type	Full Documentation				
	Ineligible: Reduced Documentation				
Loan Purpose	See LTV/Loan Amount section above.				
	Ineligible: Cash-Out Refinance, Construction Loan				
Occupancy	Second Home				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM*				
	Balloon with an initial term of 5 years or more*				
	Temporary Buydown*				
	Interest-Only – Maximum 90% LTV/CLTV*				
	GPM*				
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*				
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
	No bankruptcies in the past 2 years; no deeds in lieu, short sales or foreclosures in the past 3 years				
	Ineligible: Nontraditional credit				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached (including condominiums)				
	Cooperatives – Maximum 90% LTV/CLTV				
	Manufactured Homes* – Maximum 90% LTV/CLTV				
	Ineligible: Nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution	Purchase – 5% from borrower's own funds				
Reserves	< 720 FICO requires 2 months' PITI				
Seller/Builder Contribution	LTV/CLTV		Maximum Contribution		
	95%		3%		
	90%		6%		
DTI Ratio	41% Total DTI (see p. 1 for AUS Considerations)				
Notes	<ul style="list-style-type: none"> • In order to be eligible for MGIC MI, a Second Home must: <ul style="list-style-type: none"> – have the intended use and enjoyment for the exclusive benefit of the homeowner – be suitable for year-round occupancy – have full kitchen facilities with standard-sized appliances – have separate rooms for living and sleeping – have no lock-out bedrooms – not be part of a rental pool agreement • Rental income is not considered for qualification purposes. • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.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>*See complete guidelines at www.mgic.com for additional criteria that may apply.</p>				

Manufactured Home Parameters

LTV/Loan Amount	Occupancy	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Primary Residence	Purchase & Rate/Term Refinance	1	90%	\$417,000	660
	Second Home	Purchase & Rate/Term Refinance	1	90%	\$417,000	680
Documentation Type	Full Documentation					
	Ineligible: Reduced Documentation					
Loan Purpose	See LTV/Loan Amount section above.					
	Ineligible: Cash-Out Refinance					
Occupancy	See LTV/Loan Amount section above.					
Loan Type	Fixed-Rate					
	Fully Amortizing ARM*					
	Ineligible: Interest-Only, Balloon, Temporary Buydown, Potential Neg-Am, Scheduled Neg-Am, GPM					
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*					
	No bankruptcies, foreclosures, deeds in lieu or short sales within the past 4 years					
	Ineligible: Nontraditional credit					
Credit Score	See LTV/Loan Amount section above.					
Property Type	Ineligible: Cooperatives, single-wide manufactured homes, leased land					
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.					
Minimum Borrower Contribution				Borrower's Own Funds		
	Purchase – Primary Residence			3%		
	Purchase – Second Home			5%		
Reserves	2 months' PITI					
Seller/Builder Contribution	6% Maximum Contribution					
DTI Ratio	Primary Residence – 45% Total DTI (see p. 1 for AUS Considerations) Second Home – 41% Total DTI (see p. 1 for AUS Considerations)					
Notes	<ul style="list-style-type: none"> • Manufactured homes are residential structures built on a steel undercarriage with a wheel assembly for transportation in one or more sections to a permanent site and are deemed real estate. • Maximum 5-acre lot • Minimum square footage – 1,200 • Full URAR and the 70B Manufactured Home Addendum or Form 1004C/Form 70B, as required by AU systems • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.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>*See complete guidelines at www.mgic.com for additional criteria that may apply.</p>					

Streamline Refinance Parameters

Eligible Loans	Existing MGIC-Insured Loans Only			
	Occupancy	Units	Max. LTV/CLTV	Min. Credit Score
	Same as originally insured	Same as originally insured	Maximum 100%, based on current value	No minimum
Documentation Type	Current Residential Loan Application Form 65 or Underwriting Summary Form 1008			
	Current Credit Report			
	Current Payment History			
	Current Property Valuation			
Loan Purpose	Rate/Term Refinance – <ul style="list-style-type: none"> • The lesser of 2% or \$2,000 cash back • Reasonable closing costs may be added to balance, not to exceed the lesser of 3% or \$7,500. 			
Occupancy	See LTV/Loan Amount section above.			
Loan Type	Fixed-Rate			
	Fully Amortizing ARM – Minimum 5 years to first adjustment*			
	Interest-Only (minimum 5 years for ARM, 10 years for Fixed-Rate)			
Credit	Mortgage payment history		Current at application	
			0x30 in the most recent 12 months	
Property Type	Same as original			
Subordinate Financing	Existing financing may be re-subordinated. Maximum 100% CLTV			
Minimum Borrower Contribution	Not Applicable			
Reserves	Not Applicable			
Seller/Builder Contribution	Not Applicable			
DTI Ratio	Not Applicable			
Payment Change	No increase in P & I from existing loan			
Premium	<ul style="list-style-type: none"> • Rate Category must remain the same (i.e., A = A; A- = A-; Alt-A = Alt-A). • Ineligible: SingleFile • Percentage of coverage must remain the same. • Currently filed premium rates apply. Premium rate is based on new instrument. 			
Notes	<ul style="list-style-type: none"> • Restricted Market parameters do not apply to eligible Streamline Refinance loans. • Loans not meeting these guidelines are subject to MGIC's standard refinance guidelines and documentation requirements. <p>*See complete guidelines at www.mgic.com for additional criteria that may apply.</p>			

Conforming Jumbo Loan Parameters

MGIC's Conforming Jumbo Loan Parameters apply to loans that exceed MGIC's standard maximum loan amount limits, but are within Fannie Mae's or Freddie Mac's Conforming Jumbo limits.

LTV/Loan Amount	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	1	90%	Conforming Jumbo	700
Documentation Type	Full Documentation			
	Ineligible: Reduced Documentation			
Loan Purpose	Purchase and Rate/Term Refinance			
	Ineligible: Cash-Out Refinance			
Occupancy	Primary Residence			
Loan Type	Fixed-Rate			
	Fully Amortizing ARM*			
	Balloon with an initial term of 5 years or more*			
	Temporary Buydown*			
	Interest-Only*			
	GPM*			
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*			
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*			
	No bankruptcies in the past 2 years; no deeds in lieu, short sales or foreclosures in the past 3 years			
	Ineligible: Nontraditional credit			
Credit Score	See LTV/Loan Amount section above for maximum CLTV.			
Property Type	Detached			
	Attached (including condominiums and cooperatives)			
	Ineligible: Attached Housing and condominiums in Florida; nonwarrantable condominiums			
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.			
Minimum Borrower Contribution	Purchase – 5% from borrower's own funds			
Reserves	< 720 requires 2 months' PITI			
Seller/Builder Contribution	3% Maximum Contribution			
DTI Ratio	45% Total DTI			
Notes	<ul style="list-style-type: none"> • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.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>*See complete guidelines at www.mgic.com for additional criteria that may apply.</p>			

Construction-Permanent and Construction-Purchase Parameters

LTV/Loan Amount	Market Conditions	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Nonrestricted	1	95%	\$417,000	700
		1	90%	\$650,000 ¹	700
	Restricted	1	90%	\$417,000	700
1		85%	\$650,000 ¹	700	
Documentation Type	Full Documentation				
	Ineligible: Reduced Documentation				
Loan Purpose	Construction-Permanent and Construction-Purchase*				
Occupancy	Primary Residence				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM*				
	Balloon with an initial term of 5 years or more*				
	Temporary Buydown*				
	Interest-Only*				
	GPM*				
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay Option ARMs*				
Credit	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
	No bankruptcies in the past 2 years; no deeds in lieu, short sales or foreclosures in the past 3 years				
	Ineligible: Nontraditional credit				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached (including condominiums)				
	Ineligible: Attached Housing and condominiums in Florida; nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution	3% of borrower's own funds or Lot Equity*				
Reserves	< 720 FICO requires 2 months' PITI				
Seller/Builder Contribution	LTV/CLTV	Maximum Contribution			
	95%	3%			
	90%	6%			
DTI Ratio	45% Total DTI (see p. 1 for AUS Considerations)				
Notes	<ul style="list-style-type: none"> • Purchase price and/or total acquisition cost must be documented. • LTV is based on the lower of the purchase price, acquisition cost or the appraised value. • Insurance premiums must be received based on closing date of the construction loan and the applicable premium plan in order for coverage to be effective. • MGIC commitment/certificate will be issued for a period of 12 months. • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.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>*See complete guidelines at www.mgic.com for additional criteria that may apply.</p> <p>¹Or up to the applicable GSE Conforming Jumbo Loan limit (see p. 6)</p>				

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
	Purchase & Rate/Term Refinance	1	90%	\$417,000	680
		2	90%	\$533,850	680
		1	90%	\$650,000 ²	700
Second Home³					
LTV/Loan Amount	Purchase & Rate/Term Refinance	1	90%	\$417,000	680
Documentation Type	Full Documentation				
	Ineligible: Reduced Documentation				
Loan Purpose	See LTV/Loan Amount section above. Construction Loan – Maximum 90% LTV/CLTV*				
	Ineligible: Cash-Out Refinance				
Occupancy	Primary Residence or Second Home (Second Home Construction Loans – Ineligible)				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM – Maximum 90% LTV/CLTV*				
	Balloon with an initial term of 5 years or more – Maximum 90% LTV/CLTV*				
	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* – Primary Residence only; all loans must be manually underwritten by MGIC.				
	Ineligible: Second Home				
	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.*				
No bankruptcies in the past 2 years; no deeds in lieu, short sales or foreclosures in the past 3 years					
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached				
	Attached (including condominiums) – Maximum 90% LTV/CLTV				
	Cooperatives - Maximum 90% LTV/CLTV				
	Manufactured Homes* – Maximum 90% LTV/CLTV				
	Ineligible: Attached Housing and condominiums in Florida; nonwarrantable condominiums				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV requirements.				
Minimum Borrower Contribution				Borrower's Own Funds	
	Purchase – Primary Residence			3%	
	Purchase – Second Home			5%	
Reserves	< 720 FICO requires 2 months' PITI				
Seller/Builder Contribution	LTV/CLTV			Maximum Contribution	
	95%			3%	
	90%			6%	
DTI Ratio	Primary Residence – 45% Total DTI (see p. 1 for AUS Considerations)				
	Second Home – 41% Total DTI (see p. 1 for AUS Considerations)				
Notes	<ul style="list-style-type: none"> • Loans secured by properties located in Restricted Markets (defined on p. 1) must meet Restricted Market Parameters (see p. 8). See www.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 MGIC guidelines. *See complete guidelines at www.mgic.com for additional criteria that may apply. 				
	¹ First-time homebuyers only; fixed payments for first 5 years; AZ, CA, FL & NV – Maximum 90% LTV/CLTV				
	² Or up to the applicable GSE Conforming Jumbo Loan limit (see p. 6)				
	³ Second Homes are not eligible in AZ, CA, FL & NV.				

Mortgage Guaranty Insurance Corporation

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