

affordability+ for Housing Finance Agencies (HFAs)

Exclusively for loans originated for and sold to MGIC-approved state and local HFAs

Primary Residence – Nonrestricted Market MGIC Program #2881 (state HFAs) and #3881 (local HFAs)

	Loan Purpose	Units	Max. LTV	Max. CLTV	Maximum Loan Amount	Minimum Credit Score
LTV/Loan Amount	Purchase	1	97%	103%	\$417,000	680
		1	95%	103%	\$417,000	660
Documentation	DU Approve/Eligible or LP Accept/Eligible response: Use income and asset verification requirements specified on the findings/feedback report All other loans: Full documentation					
Loan Purpose	See LTV/Loan Amount section above Ineligible: Cash-out refinance; rate/term refinance					
Loan Type	Fixed-rate Temporary buydown Ineligible: Fully amortizing ARMs, balloon, interest-only, GPM, scheduled neg-am, potential neg-am					
Credit	Qualifying with Traditional Credit or DU Approve/Eligible or LP Accept/Eligible response: Use the lowest of all Borrower Indicator Scores — the lower of 2 or middle of 3 credit scores to meet MGIC’s minimum credit score requirement Qualifying with both Traditional Credit and Nontraditional Credit and without a DU Approve/Eligible or LP Accept/Eligible response: See UWG 4.06c Qualifying with Nontraditional Credit: Requires an MGIC manual underwrite; maximum 90% LTV/103% CLTV; see UWG 4.06b and 4.06i					
Property Type	Detached, attached, condominiums Cooperatives: Maximum 90% LTV/103% CLTV Ineligible: Nonwarrantable condominiums, manufactured homes					
Subordinate Financing	Must meet Fannie Mae’s Community Seconds or Freddie Mac’s Affordable Seconds guidelines. See LTV/Loan Amount section above for maximum CLTV requirements.					
Borrower Contribution	Lesser of \$1,000 or 1% with credit score ≥ 700 , DTI $\leq 41\%$ and 2 months’ reserves, regardless of DU Approve/Eligible or LP Accept/Eligible response Minimum 3% borrower’s own funds Gifts/grants can apply toward the borrower’s minimum contribution, subject to MGIC’s requirements, UWG 4.08					
Reserves	For loans with 3% borrower’s own funds, DU Approve/Eligible or LP Accept/Eligible response: Use reserves indicated on the findings/feedback report All other loans: 2 months’ PITI					
Seller/Builder Contribution	Maximum contribution: 97% LTV, 3%; 90% LTV, 6%					
DTI Ratio	41% Total DTI, nonfixed-rate/payment < 5 years 45% Total DTI, fixed-rate/payment ≥ 5 years					
Program Guidelines	<ul style="list-style-type: none"> • Loan must meet all other standard MGIC guidelines; see MGIC’s Underwriting Guide (UWG) at www.mgic.com/uwguide for additional criteria • HFA loans that receive an LP A-Minus/Eligible or Caution/Eligible or a DU EA/Eligible recommendation are insurable if they meet Affordability+ program parameters • HFA loans secured by properties located in Restricted Markets are subject to MGIC’s Restricted Market guidelines; see www.mgic.com/restrictedmarkets to determine whether MGIC Restricted Market guidelines apply • The HFA may have additional criteria for eligibility; lenders are responsible for assuring each loan complies with both HFA program requirements and MGIC requirements 					

Standard Underwriting Guidelines Summary

For HFA loans that do not meet *affordability+* Parameters

Primary Residence – Nonrestricted Market MGIC Program #2881 (state HFAs) and #3881 (local HFAs)

	Loan Purpose	Units	Maximum LTV/CLTV	Maximum Loan Amount	Minimum Credit Score
LTV/Loan Amount	Purchase, rate/term refinance ¹ , construction-permanent ²	1	97%	\$417,000	700
		1	95%	\$417,000	660
		2	95%	\$533,850	680
		1	95%	\$625,500 ³	700
Documentation	DU Approve/Eligible or LP Accept/Eligible response: Use income and asset verification requirements specified on the findings/feedback report All other loans: Full documentation				
Loan Purpose	See LTV/Loan Amount section above Ineligible: Cash-out refinance				
Loan Type	Fixed-rate ARMs: Maximum 95% LTV/CLTV for ARMs with an initial term < 5 years and for 5-year ARMs with an initial cap > 5% Balloon: Maximum 95% LTV/CLTV (Initial term of 5 years or more required) Temporary buydown: Maximum 95% LTV/CLTV Ineligible: Interest-only, GPM, scheduled neg-am, potential neg-am				
Credit	Qualifying with Traditional Credit or DU Approve/Eligible or LP Accept/Eligible response: Use the lowest of all Borrower Indicator Scores — the lower of 2 or middle of 3 credit scores to meet MGIC’s minimum credit score requirement Qualifying with both Traditional Credit and Nontraditional Credit and without a DU Approve/Eligible or LP Accept/Eligible response: See UWG 4.06c Qualifying with Nontraditional Credit: Requires an MGIC manual underwrite; maximum 90% LTV/CLTV; see UWG 4.06b and 4.06i				
Property Type	Detached, attached, condominiums Cooperatives: Maximum 90% LTV/CLTV Ineligible: Nonwarrantable condominiums, manufactured homes				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV (HCLTV)				
Borrower Contribution	Minimum 3% borrower’s own funds Gifts/grants can apply toward the 3%, subject to MGIC’s requirements, UWG 4.08				
Reserves	DU Approve/Eligible or LP Accept/Eligible response: Use reserves indicated on the findings/feedback report All other loans: 2 months’ PITI For purchases where an existing home is not sold, see UWG 4.05c				
Seller/Builder Contribution	Maximum contribution: 97% LTV/CLTV, 3%; 90% LTV/CLTV, 6%				
DTI Ratio	41% Total DTI, nonfixed-rate/payment < 5 years 45% Total DTI, fixed-rate/payment ≥ 5 years				
Program Guidelines	¹ Rate/term refinance payoff of second lien requirements, UWG 3.07c ² Construction-permanent loan documentation requirements, UWG 3.07b ³ See Primary Residence – Loan Amount > \$625,500, p. 6				