

MGIC announces underwriting changes, restricted market changes and new premium plans.

- Underwriting and market changes that are less restrictive will be effective with MI applications received by MGIC on or after **Monday, March 8, 2010**.
- Underwriting and market changes that are more restrictive will be effective with MI applications received by MGIC on or after **Monday, March 22, 2010**.
- The new premium plans will be effective **Saturday, May 1, 2010**, subject to regulatory approval.

<p align="center">Guideline & Restricted Market Changes (Effective Monday, March 8, 2010)</p>	
<p>All Markets / All Origination Sources</p>	<ul style="list-style-type: none"> • Changing MGIC's valid credit score requirement to a minimum of 3 tradelines evaluated for 12 months. Loans without valid credit scores must meet our nontraditional credit guidelines.
<p>Primary Residence / Nonrestricted Markets / Retail Originations</p>	<ul style="list-style-type: none"> • Reducing the minimum FICO to 660 on purchase transactions of 1-unit properties up to 95% LTV • Maximum DTI for purchases with a FICO of 740 or greater – 45%
<p>Primary Residence / Nonrestricted and Tier One Markets / Retail Originations</p>	<ul style="list-style-type: none"> • Allowing the payoff of a purchase-money second mortgage with a Rate-and-Term refinance if: <ul style="list-style-type: none"> ○ the junior lien was originated as a purchase-money second mortgage (seller or institutional financing) with the first and second lien recorded simultaneously, OR ○ the only draw of a Home Equity Line of Credit (HELOC) was for the acquisition of the subject property and is supported by the HUD-1 and loan history. ○ LTV is 90% or lower AND ○ FICO is 720 or greater.
<p>Restricted Market Rule Change</p>	<ul style="list-style-type: none"> • MGIC no longer applies Restricted Market guidelines to properties in Nonrestricted Markets, identified by the appraiser, lender or investor as being in a neighborhood with declining values.
<p><u>Restricted Market Changes</u> Moving from Tier One Restricted Market Status to Nonrestricted Market Status</p>	<ul style="list-style-type: none"> • Bridgeport-Stamford-Norwalk , CT (CBSA – 14860) • Hartford-West Hartford-East Hartford, CT (CBSA – 25540) • Norwich-New London, CT (CBSA – 35980) • Wilmington, DE (CBSA – 48864) • Washington, DC (CBSA – 47894) • Elkhart-Goshen, IN (CBSA – 21140) • Gary, IN (CBSA – 23844) • Baltimore-Towson, MD (CBSA – 12580) • Bethesda-Rockville-Frederick, MD (CBSA – 13644)

Guideline & Restricted Market Changes (continued) <i>(Effective Monday, March 8, 2010)</i>	
<p style="text-align: center;"><u>Restricted Market Changes</u></p> <p style="text-align: center;">Moving from Tier One Restricted Market Status to Nonrestricted Market Status (Continued)</p>	<ul style="list-style-type: none"> • Hagerstown-Martinsburg, MD (CBSA – 25180) • Barnstable Town, MA (CBSA – 12700) • Boston-Quincy, MA (CBSA – 14484) • Worcester, MA (CBSA – 49340) • All of Michigan except: <ul style="list-style-type: none"> ○ Ann Arbor, MI (CBSA – 11460) and Flint, MI (CBSA – 22420), which remain Tier One Markets ○ Warren-Troy-Farmington Hills, MI (CBSA – 47644) and Detroit-Livonia-Dearborn, MI (CBSA – 19804), which move to Tier Two Markets • Minneapolis-St. Paul-Bloomington, MN (CBSA – 33460) • Atlantic City-Hammonton, NJ (CBSA – 12100) • Camden, NJ (CBSA – 15804) • Ocean City, NJ (CBSA – 36140) • Trenton-Ewing, NJ (CBSA – 45940) • Albuquerque, NM (CBSA – 10740) • Poughkeepsie-Newburgh-Middletown, NY (39100) • Eugene-Springfield, OR (CBSA -21660) • Portland-Vancouver-Hillsboro, OR (CBSA – 38900) • Providence-New Bedford-Fall River, RI (CBSA – 39300) • Ogden-Clearfield, UT (CBSA – 36260) • Salt Lake City, UT (CBSA – 41620) • Winchester, VA (CBSA – 49020)

Guideline & Restricted Market Changes <i>(Effective Monday, March 22, 2010)</i>	
<p>All Markets / All Origination Sources</p>	<ul style="list-style-type: none"> • Interest-only loans (I/Os) – not eligible • Graduated payment mortgages (GPMs) – not eligible
<p>All Markets / Nonretail Originations</p>	<ul style="list-style-type: none"> • Maximum loan amortization period – 30 years
<p style="text-align: center;"><u>Restricted Market Changes</u></p> <p style="text-align: center;">Moving from Tier One Restricted Market status to Tier Two Restricted Market status</p>	<ul style="list-style-type: none"> • Atlanta-Sandy Springs-Marietta, GA (CBSA – 12060) • Chicago-Naperville-Joliet, IL (CBSA – 16974) • Warren-Troy-Farmington Hills, MI (CBSA – 47644) • Detroit-Livonia-Dearborn, MI (CBSA – 19804) • Nassau-Suffolk, NY (CBSA – 35004) • New York-White Plains-Wayne, NY (CBSA – 35644)

MGIC is replacing its current premium plans with rates that incorporate credit scores to tier premiums. With these new rate plans, borrowers with better credit ratings receive lower MI premium rates, and borrowers with weaker credit ratings receive higher MI premium rates. Given today's high-quality lending environment, we expect that most borrowers will benefit by receiving lower premium rates.

These new credit-tiered rates will go into effect May 1, 2010, and become MGIC's standard rates. Customers who find it difficult to make the transition to credit-tiered premiums will be able to continue using our existing premium rate structure. **To continue using existing premium rates, contact your MGIC Account Manager no later than Friday, April 16, 2010.**

Sample New Credit-Tiered Monthly Premiums for Fixed Rate Loans (Effective May 1, 2010 • Subject to Regulatory Approval)				
LTV Category	Coverage %	Class 1 Credit FICO 720 or Greater	Class 2 Credit FICO 680-719	Class 3 Credit FICO 660-679*
95.01%-97%	35	.88%	1.10%	1.53%
	18	.59%	.77%	.90%
90.01%-95%	30	.67%	.94%	1.20%
	25	.62%	.84%	1.08%
	16	.54%	.72%	.79%
85.01%-90%	25	.49%	.62%	.76%
	17	.43%	.49%	.61%
	12	.39%	.44%	.52%
85% or lower	12	.32%	.38%	.44%
	6	.30%	.34%	.38%

Sample New Credit-Tiered Monthly Premium Adjustments			
Feature	Class 1 Credit	Class 2 Credit	Class 3 Credit
Rate-and-Term Refinance	+.10%	+.15%	+.30%
Second Home	+.14	+.20	+.35
Loan Amount > \$417,000	+.25	+.40	+.60
25-Year & Under Loan Term	-.05	-.08	-.11
Level Annual Premium (Refundable)	-.03	-.04	-.05

*Also approved loans with: Nontraditional Credit, or a DU EA or LP A-

NOTE: All rates are subject to loans meeting MGIC's underwriting guidelines at the time of submission to MGIC.

Complete Monthly, Single, Splits and Annual rate cards with premium adjustments will be posted to our website by April 5, 2010. These rates will apply to both borrower-paid and lender-paid mortgage insurance.

See www.mgic.com for more information regarding the [Steps for Determining Your Credit-Tiered Premium](#).