

MGIC announces the following changes to its underwriting requirements, effective with MI applications received on or after August 29, 2011.

Loan Amount Underwriting Changes (Effective Aug. 29, 2011)

MGIC is revising its underwriting requirements to allow for loans up to \$750,000.

Revised Requirements for loans greater than \$625,500:

- Maximum loan amount – \$750,000
- Primary residence
- Purchase or construction permanent
- Maximum LTV/CLTV – 90%
- Maximum DTI – 41%
- Minimum credit score – 740
- Fixed-rate/payment \geq 5 years
- Single family detached (Ineligible: condominiums and cooperatives)
- Minimum borrower contribution – 10% borrower's own funds (no gifts)
- Minimum reserves – 6 months PITI

Other Notes:

- Maximum coverage:
 - 90% LTV - 25%
 - 85% LTV - 12%
- **MGIC's current guidelines for FHFA's high-cost loan limits, remain in effect until these loan limits are lowered. This is scheduled to occur on October 1, 2011.**

Second Home Underwriting Changes (Effective Aug. 29, 2011)

MGIC is revising its underwriting requirements to allow for second homes in restricted markets.

Revised Requirements for Second Homes:

- Nonrestricted markets:
 - DTI - > 41% to 45% with credit score \geq 740 (fixed-rate/fixed-payment \geq 5 years)

- Restricted markets:
 - Minimum credit score:
 - Tier 1 markets – 740
 - Tier 2 markets – 760
 - Fixed-rate/payment \geq 5 years
 - Maximum DTI – 41%
 - Minimum reserves – 6 months PITI
 - Maximum seller contributions – 3%

Other Notes:

- Maximum coverage:
 - 90% LTV - 25%
 - 85% LTV - 12%

Payoff of Existing Non-Purchase Money Junior Lien – Underwriting Changes
(Effective Aug. 29, 2011)

MGIC is expanding its underwriting requirements to allow for a refinance that includes the payoff of an existing "non-purchase money" junior lien.

To be eligible, loans must be submitted as cash-out refinances.

Requirements for a refinance that includes the payoff of an existing “non-purchase money” junior lien:

- Nonrestricted Markets only
- Primary Residence
- Maximum LTV/CLTV – 85%
- Maximum loan amount \$417,000
- Maximum DTI – 41%
- Minimum credit score – 720
- Fixed-rate/payment \geq 5 years
- Single family detached (Ineligible: condominium or cooperative)
- Cash back to borrower – not to exceed the lesser of 2% or \$2,000
- Payoff of non-purchase money junior liens – not to exceed \$75,000
- Seasoning – 12 months, HELOC's cannot have been drawn on in the last 12 months
- Property is not currently listed and has not been listed for sale in the last 6 months

Other Notes:

- Maximum coverage – 12%
- Cash-out premium adder applies (20 bps)