

MGIC is expanding guidelines for Retail Originations in Nonrestricted and Tier One Markets. In addition, seven markets have been moved from Tier One to Nonrestricted. These changes will be effective for mortgage insurance applications received on or after Monday, December 7, 2009.

New Underwriting Summary pages for Retail Originations in Tier One Markets and Second Homes will be posted to our website over the next week.

Retail Originations include loans for which the following loan origination tasks are all performed by the same entity which is also the Insured.

- Taking the loan application
- Processing the loan application
- Underwriting the loan
- Funding and closing the loan

Retail Originations may involve a Mortgage Service Provider (MSP) if:

- The MSP does not take the loan application, and
- Is paid for its services on an arms-length negotiated fee basis, and
- Payment of its fees are not contingent upon the loan's approval or closing

<b>Guideline Changes for Retail Originations of 1-Unit Properties</b> <i>(Effective Dec. 7, 2009)</i>	
Primary Residences in <u>Tier One</u> Markets	<ul style="list-style-type: none"> <li>• Purchase                             <ul style="list-style-type: none"> <li>○ Maximum LTV/CLTV 95%, Minimum FICO 680, Loan Amount up to \$417,000</li> <li>○ Maximum LTV/CLTV 90%, Minimum FICO 700, Loan Amount greater than \$417,000 (to FHFA Limit)</li> <li>○ <u>First Time Homebuyers</u> – Maximum LTV/CLTV 97%, Minimum FICO 700, Loan Amount up to \$417,000</li> </ul> </li> <li>• Construction/Perm or Properties Appraised Subject to Completion                             <ul style="list-style-type: none"> <li>○ Minimum FICO 700</li> <li>○ Maximum LTV/CLTV 95%, Loan Amount up to \$417,000</li> <li>○ Maximum LTV/CLTV 90%, Loan Amount greater than \$417,000 (to FHFA Limit)</li> </ul> </li> <li>• Maximum LTV/CLTV 95%                             <ul style="list-style-type: none"> <li>○ Condominiums</li> <li>○ ARMs &lt; 5 years</li> <li>○ Interest Only Loans</li> <li>○ Temporary Buydowns</li> </ul> </li> </ul>
Second Homes in <u>Nonrestricted</u> and <u>Tier One</u> Markets	<ul style="list-style-type: none"> <li>• Purchase                             <ul style="list-style-type: none"> <li>○ Maximum LTV/CLTV 90%</li> <li>○ Minimum FICO 720</li> <li>○ Loan Amount up to \$417,000</li> <li>○ Single-Family Detached Units Only</li> </ul> </li> </ul>

**Restricted Market Changes** (*Effective Dec. 7, 2009*)

Moving from Tier One  
Restricted Markets to  
Nonrestricted Markets

- Dover, DE (CBSA – 20100)
- New Orleans-Metairie-Kenner, LA (CBSA – 35380)
- Akron, OH (CBSA – 10420)
- Cleveland-Elyria-Mentor, OH (CBSA – 17460)
- Dayton, OH (CBSA – 19380)
- Toledo, OH (CBSA – 45780)
- Youngstown-Warren-Boardman, OH (CBSA – 49660)