

## Credit-Tiered Premium Rates Q&A

**Q:** What are credit-tiered premium rates?

**A:** Credit-tiered rates are based on the borrower(s) credit profile. They reflect the fact that loans with better credit profiles generally perform better than those with weaker profiles. Currently, most of our premium plans provide the same rate across a wide range of credit profiles.

**Q:** How do credit-tiered rates affect borrowers?

**A:** Borrowers with solid credit histories will see the same or lower premium rates. Borrowers with weaker credit histories may see higher premium rates.

**Q:** Will credit-tiered rates become MGIC's standard rates?

**A:** Yes, credit-tiered rates will replace all MGIC's current blended premium rate plans as its standard rate programs. While the credit-tiered rates will become our standard program; customers who cannot operationalize the new rate plans will be able to continue using our existing blended rates on an exception basis. Contact your MGIC account manager no later than Friday, April 16, 2010.

**Q:** Will the new credit-tiered premiums be available nationwide?

**A:** We are filing the credit-tiered rates in all states with an effective date of May 1, 2010. The time frame for specific state approvals is unknown.

**Q:** How will I know if my state has approved the credit-tiered premiums?

**A:** We will post the status of each state on our website in the same manner as we do with any rate changes.

**Q:** Will there be any changes to how I order my MI with credit-tiered pricing?

**A:** No, credit-tiered pricing will not require any changes to the way you order your MGIC MI.

**Q:** Will DU or LP recommendations affect the Credit Tier?

**A:** If approved by MGIC, loans receiving a DU-EA, LP A- or LP-Caution will receive our Class 3 rates.

**Q:** Will borrowers receive a Fair Credit Reporting Act notification if their loan's credit score is below 720?

**A:** Yes, the Fair Credit Reporting Act requires that we provide the borrower with notification when, due to the credit information used, the premium rate results in a rate that is higher than our best rate.

**Q:** Will Rate Finder – Plus provide credit-tiered premium rate quotes?

**A:** Yes, Rate Finder – Plus will be updated to provide rate quotes based on the new credit-tiered pricing once the rates become effective.

**Q:** Will Rate Finder – Plus provide premium rate quotes if I stay with the current rate plan?

**A:** Yes, enter 2297 in the MGIC Program box to obtain a rate quote for our non Credit-Tiered rates.

**Q:** Whom should I call if I have questions regarding MGIC's new credit-tiered premium rates?

**A:** For general credit-tiered premium rate questions, contact your [MGIC account manager](#) or our Customer Service Team, 1-800-424-6442 or [customer\\_service@mgic.com](mailto:customer_service@mgic.com).

**Q:** Whom should I call if I have questions regarding MGIC's new credit-tiered premium rates on an individual loan?

**A:** For individual loan questions, contact your [MGIC Underwriting Service Center](#).

**Q:** How will nontraditional credit be handled?

**A:** Loans approved using nontraditional credit will receive Class 3 rates.

**Q:** Will HFA rates be affected?

**A:** Our credit-tiered rates will replace our current Affordability Plus rate..