

Steps for Determining Your Credit-Tiered Premium

1. First, determine if you have a valid credit score. If yes, go to Step 2. If No, see Step 3.

A valid credit score requires 3 tradelines that are evaluated for a minimum of 12 months. Evaluated means that the credit report showed the tradeline open and active for a 12 month period regardless of when it was open and active. The tradeline does not have to be currently open or active. (Authorized user accounts are not eligible tradelines.)

2. Use the lowest **Loan Indicator Score** of all borrowers to determine the premium rate Tier.

When valid credit scores documented on traditional credit reports are available, at least two scores must be obtained for each borrower. MGIC uses a **Loan Indicator Score**, determined as follows:

- a. If 2 scores are provided, the lower score is the **Loan Indicator Score**.
- b. If 3 scores are provided, the middle score is the **Loan Indicator Score**.

Criteria for Credit-Tiered Premiums	
<u>Class 1 Credit</u>	<ul style="list-style-type: none">• The lowest Loan Indicator Score is 720 or above
<u>Class 2 Credit</u>	<ul style="list-style-type: none">• The lowest Loan Indicator Score is between 680 and 719
<u>Class 3 Credit</u>	<ul style="list-style-type: none">• The lowest Loan Indicator Score is between 660 and 679 or• Nontraditional credit

3. Loans without valid credit scores or no credit scores that otherwise meet MGIC's non traditional credit requirements will be considered Tier 3 Credit.