

TIER TWO RESTRICTED MARKETS RATE CARD

MARCH 2009

See mgic.com/restrictedmarkets for a current list of MGIC-identified restricted markets.

LOAN PROGRAM CATEGORIES

FIXED WITH LEVEL PAYMENTS FOR THE FIRST 5 YEARS – This category applies to loans with level or declining payments for the first five years. It does not include loans with buydowns or rate concessions.

NONFIXED WITH ANNUAL CAPS ≤ 1% – This category applies to loans with an annual effective interest rate cap of 1% or less during the first five years. Eligible examples include:

- fixed-rate loans with 1% annual temporary buydowns;
- 6- and 12-month ARMs with annual effective rate caps of 1% or less; and
- 3/3 and 3/1 ARMs with initial interest rate adjustments of 3% or less.

NOTE: GPM loans cannot have annual payment increases of more than 7.5%.

NONFIXED WITH ANNUAL CAPS > 1% – This category applies to loans with actual or potential payment changes greater than 1% during the first five years.

For all Loan Program Categories – Loans featuring potential negative amortization are not eligible for MGIC mortgage insurance.

RATE SELECTION

30-Year 30-Year rates apply to loans with an amortization period greater than 25 years up to a maximum of 40 years.

25-Year & Under 25-Year & Under rates apply to loans that fully amortize over 25 years or less.

LTV LTV category is selected based on first lien only.

RATE PRODUCT NOTES

Monthly Premiums require the first month's premium at closing. Subsequent months are billed by MGIC. Monthly rate charts show the annualized rates. To determine the monthly premium, multiply the applicable premium rate by the loan amount and divide that product by 12. Premiums are rounded to the nearest penny. Refunds are prorated.

ZOMP! (Zero-Option Monthly Premiums) are billed in arrears, so no premium is due at closing. Refunds are prorated.

Nonrefundable Monthly/ZOMP! Premiums are refunded on a prorated basis if coverage is cancelled or terminated under the Homeowners Protection Act (HPA) of 1998.

Level Annuals' initial and renewal premiums are the same. The first year's premium is due at closing; subsequent annual premiums are due on the anniversary of the closing. All refunds are prorated.

One-Time MI is financeable and provides coverage until the loan amortizes to 78% of original value, unless previously cancelled. If premium is financed, an endorsement providing enhanced claims coverage acceptable to the agencies is included. Consult with Fannie Mae/Freddie Mac to determine whether delivery of these loans requires special approval.

Constant Renewals are applied to the original insured loan balance. The rate for years 2-10 is the same as the first-year rate. For years 11-term, the renewal rate is reduced to .20% or remains the same if less than .20%. Premium adjustments do not apply beginning year 11.



Declining Renewals are applied to the outstanding insured loan balance. The rate for years 2-term is the same as the first-year rate. For Monthly Premiums/ZOMP!, the loan balance is adjusted at each anniversary of the certificate.

UNDERWRITING NOTES

3/2 Option Loans, where only a portion comes from the borrower's own funds and the rest from a gift, grant or loan, use 95.01%-97% rates.

Employee Relocation Loans must meet Fannie Mae/Freddie Mac guidelines published at origination.

Standard Agency Coverage Requirements are highlighted:

-  for loan terms > 20 years
-  for loan terms ≤ 20 years

RESTRICTED MARKETS NOTES

Properties in MGIC-identified restricted markets are subject to special rates and guidelines. See the list of areas and guidelines at www.mgic.com/restrictedmarkets.

Rates may vary from state to state. Select borrower-paid MI rates (Monthly Premiums/ZOMP!, One-Time MI and Expanded Criteria) based on property location. Select lender-paid MI rates (SingleFile) by lender location. New York has special requirements for the use of credit scoring. For additional coverages and information on the availability of these programs, please call your MGIC representative or your MGIC Regional Underwriting Service Center.

Standard Monthly Premiums & ZOMP!

MONTHLY PREMIUMS & ZOMP! FICO ≥ 720			FIXED LEVEL PAYMENTS FOR THE FIRST 5 YEARS		NONFIXED ANNUAL CAPS ≤ 1%	NONFIXED ANNUAL CAPS > 1%
			30-Year		30-Year	30-Year
			1st Year & Renewals		1st Year & Renewals	1st Year & Renewals
Base LTV (%)	MGIC Coverage (%)	Reduces Exposure To (%)	No Refund		No Refund	No Refund
90 -85.01	35	59	.75%		.92%	.96%
	30	63	.69		.84	.89
	25	68	.62		.73	.78
	22	71	.57		.67	.71
	20	72	.52		.59	.64
	18	74	.50		.57	.62
	17	75	.49		.56	.61
	12	80	.44		.45	.50
85 & Under	35	56	.65		.77	.83
	30	60	.57		.67	.71
	25	64	.48		.55	.59
	22	67	.46		.53	.58
	20	68	.45		.51	.55
	18	70	.44		.46	.51
	17	71	.43		.44	.49
	12	75	.38		.39	.44
6	80	.34		.36	.40	

Premium Adjustments for Monthly Premiums & ZOMP!

Rate-and-Term Refinance	+ .10%
Loan Amounts > \$417,000	+ .25%
Level Annual Premium (Refundable)	- .04%
Refundable Monthly Premium	+ .01%
25-Year & Under	- .11%
Employee Relocation Loans	
• LTVs greater than 90%	- .12%
• LTVs of 85.01% to 90%	- .10%
• LTVs of 85% or less	- .07%
Note: Rates cannot be reduced below .15%.	

One-Time MI

ONE-TIME MI BPMI FICO ≥ 720			FIXED LEVEL PAYMENTS FOR THE FIRST 5 YEARS		NONFIXED ANNUAL CAPS ≤ 1%	NONFIXED ANNUAL CAPS > 1%		
			30-Year	25-Year & Under	30-Year	25-Year & Under	30-Year	25-Year & Under
			Refund	Refund	Refund	Refund	Refund	Refund
Base LTV (%)	MGIC Coverage (%)							
90 -85.01	30	2.40%	1.85%	2.65%	2.10%	2.85%	2.30%	
	25	2.10	1.55	2.25	1.70	2.40	1.85	
	22	1.90	1.35	2.00	1.45	2.25	1.70	
	20	1.75	1.20	1.80	1.25	1.95	1.40	
	18	1.65	1.10	1.70	1.15	1.85	1.30	
	17	1.60	1.05	1.65	1.10	1.80	1.25	
	12	1.35	.80	1.45	.90	1.50	.95	
	22	1.60	1.05	1.85	1.30	2.00	1.45	
85 & Under	20	1.50	.95	1.70	1.15	1.85	1.30	
	17	1.45	.90	1.50	.95	1.65	1.10	
	12	1.25	.70	1.30	.75	1.45	.90	
	6	1.00	.45	1.10	.55	1.25	.70	

Premium Adjustments for One-Time MI

Rate-and-Term Refinance	+ .40%
Loan Amounts > \$417,000	+1.25%
Employee Relocation Loans	
• LTVs greater than 85%	- .40%
• LTVs of 85% or less	- .25%
Note: Rates cannot be reduced below .30%.	

Notes for One-Time MI:

When the One-Time MI premium is financed into the loan amount, the LTV category is determined by the loan amount before the premium is added.

If One-Time MI coverage is cancelled within the first five years, MGIC will provide a prorated refund.

For loans cancelled or terminated under HPA, see MGIC's One-Time MI Refund Information (71-41869).

Expanded Criteria

DU 7.0 EA-1, EA-2 or EA-3
LP A-Minus Eligible or Caution Eligible

MONTHLY PREMIUMS & ZOMP! FICO ≥ 720			FIXED LEVEL PAYMENTS FOR THE FIRST 5 YEARS		NONFIXED ANNUAL CAPS ≤ 1%	
			30-Year		30-Year	
Base LTV (%)	MGIC Coverage (%)	Reduces Exposure To (%)	1st Year & Renewals		1st Year & Renewals	
			Refundable		Refundable	
90 -85.01	35	59	1.05%		1.18%	
	30	63	.88		.99	
	25	68	.76		.85	
	20	72	.67		.75	
	18	74	.63		.70	
	17	75	.61		.68	
	12	80	.52		.58	
85 & Under	30	60	.75		.84	
	25	64	.69		.77	
	20	68	.65		.73	
	18	70	.60		.68	
	17	71	.58		.65	
	12	75	.44		.49	
	6	80	.38		.43	

Premium Adjustments for Expanded Criteria

Rate-and-Term Refinance	+ .10%
25-Year & Under	- .11%
Loan Amounts > \$417,000	+ .25%

SingleFile™ Lender-Paid Single Premiums

LENDER-PAID SINGLES FICO ≥ 720		FIXED LEVEL PAYMENTS FOR THE FIRST 5 YEARS		NONFIXED	
		30-Year	25-Year & Under	30-Year	25-Year & Under
Base LTV (%)	MGIC Coverage (%)	No Refund	No Refund	No Refund	No Refund
90 -85.01	25	1.40%	1.11%	1.70%	1.42%
	22	1.33	1.03	1.62	1.33
	18	1.24	.90	1.46	1.12
	17	1.22	.89	1.42	1.07
	12	1.10	.76	1.32	.96
85 & Under	22	1.14	.85	1.33	1.05
	20	1.12	.81	1.30	.98
	17	1.00	.71	1.20	.87
	12	.85	.57	1.02	.72
	6	.70	.49	.84	.59

Premium Adjustments for SingleFile Lender-Paid Singles

Rate-and-Term Refinance	+ .40%
Loan Amounts > \$417,000	+1.25%

Lender-Paid Singles

All rates are nonrefundable. Coverage is provided until the loan is paid off.

SINGLEFILE LOAN PROGRAM CATEGORIES

FIXED WITH LEVEL PAYMENTS FOR THE FIRST 5 YEARS – This category applies to loans with level or declining payments for the first five years. It does not include loans with buydowns or rate concessions.

NONFIXED – This category applies to loans with actual or potential payment changes during the first five years.

Can't find your calculator?

MGIC's **Rate Finder** will calculate your initial and renewal premium rates for you.

Visit our Rate Finder at www.mgic.com.

Tier Two Restricted Market Parameters

	Loan Purpose	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
LTV/ Loan Amount	Purchase & Rate/Term Refinance ¹	1	90%	\$417,000	720
		1	85%	FHFA ²	720
Documentation Type	Full Documentation				
Loan Purpose	See LTV/Loan Amount section above.				
	Appraised "Subject to Completion" Loans				
	Ineligible: Cash-Out Refinance and Construction-Permanent				
Occupancy	Primary Residence				
Loan Type	Fixed-Rate				
	Fully Amortizing ARM				
	Balloon with an initial term of 5 years or more				
	Temporary Buydown				
	GPM				
	Ineligible: Scheduled Neg-Am; Potential Neg-Am, including Pay-Option ARMs; Interest-Only				
Credit	Nontraditional credit – All loans must be manually underwritten by MGIC.				
	The lowest Indicator FICO (middle of 3; lower of 2) for all borrowers is considered the Loan Indicator score.				
	No bankruptcies, deeds in lieu, short sales or foreclosures in the past 4 years				
Credit Score	See LTV/Loan Amount section above.				
Property Type	Detached/Attached				
	Condominiums				
	Cooperatives				
	Ineligible: Attached housing and condominiums in FL, nonwarrantable condominiums, manufactured homes				
Subordinate Financing	See LTV/Loan Amount section above for maximum CLTV (HCLTV) requirements.				
Minimum Borrower Contribution	3% of borrower's own funds				
Reserves	2 months' PITI				
Seller/Builder Contribution	6% Maximum Contribution				
DTI Ratio	41% Total DTI				
Program Guidelines	<p>See complete guidelines at www.mgic.com/uwguide for additional criteria that may apply.</p> <ul style="list-style-type: none"> • Loans secured by properties located in Restricted Markets must meet MGIC's applicable Tier One or Tier Two Restricted Market Parameters. • See www.mgic.com/restricted markets for more information and for a Market Search look-up tool to determine whether MGIC Restricted Market Guidelines apply. • Commitment/Certificates are issued for a period of 120 days. • Loan must meet all other standard MGIC Guidelines. <p>¹Rate/Term Refinance – Payoff of subordinate liens is not allowed.</p> <p>²Agency-conforming loan limits, as set by FHFA.</p>				

Mortgage Guaranty Insurance Corporation

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