

This bulletin clarifies a previous announcement; addresses upcoming rate changes and changes to our Restricted Markets underwriting guidelines; and covers Nonrestricted Markets underwriting changes affecting Cash-Out and Rate & Term Refinances, as well as Maximum Borrower Exposure.

Clarification – Bulletin 06-08

- Bulletin 06-08 referred to Loan Prospector[®]. All LP decisions, where the **initial decision** was obtained on or after June 15, 2008, meet the announced requirement.

Premium Rate Changes — Filed for an Effective Date of Aug. 4, 2008

- **Borrower-Paid MI Rates**
 - Increases to monthly and level annual plans will be posted on www.mgic.com by July 7, 2008.
 - BPMI Restricted State add-ons will be withdrawn.
- **Lender-Paid MI Rates**
 - Adjustments to a few of the monthly rates
 - These changes will be posted on www.mgic.com by July 7, 2008.
- **All Rate Plans**
 - Add-ons for Loan Amounts > \$417,000 increase to .25% for monthlies and 1.25% for singles.
 - Add-ons for Cash-Out Refinances increase to .20% for monthlies and .80% for singles.
 - These changes will be posted on www.mgic.com by July 7, 2008.

Restricted Markets — Effective Aug. 4, 2008

- **Maximum LTV for AZ, CA, FL, NV** Reduced to 90%
All other Restricted Market guidelines remain unchanged.
- **Additional Restricted Markets** These markets have been identified by MGIC as Restricted Markets and will be added to MGIC's Restricted Markets list:

State	CBSA #	Name of Market
– Connecticut	14860	Bridgeport-Stamford-Norwalk
– Delaware	20100	Dover
– Idaho	14260	Boise City-Nampa
– Indiana	21140	Elkhart-Goshen
- **No Longer Restricted Markets** These markets will be removed from MGIC's Restricted Markets list:

State	CBSA #	Name of Market
– Colorado	39380	Pueblo
– Michigan	13020	Bay City
	28020	Kalamazoo-Portage
	35660	Niles-Benton Harbor
– New Jersey	15804	Camden
	45940	Trenton-Ewing
	47220	Vineland-Millville-Bridgeton
– Ohio	17140	Cincinnati-Middletown
– Tennessee	34980	Nashville-Davidson-Murfreesboro-Franklin
– Utah	30860	Logan
	41620	Salt Lake City
– Virginia	40060	Richmond
	47260	Virginia Beach-Norfolk-Newport News
– Washington	45104	Tacoma

continued

Underwriting Changes — Effective Aug. 4, 2008

- **Cash-Out Refinances in Nonrestricted Markets** will again be insurable, subject to the following key parameters:
 - **Maximum LTV/CLTV/HCLTV** 90%
 - **Minimum FICO** 680
 - **Maximum Cash Out** \$100,000
 - **Primary Residence, 1-Unit**
 - Attached
 - Detached
 - Condos
 - PUDs
 - Row Houses

Ineligible: Cooperatives and Manufactured Housing
 - **Maximum Loan Amount** \$417,000
 - **Documentation** Full Documentation only
 - **Loan Type**
 - Fixed-Rate
 - Fully Amortizing ARMs
 - Balloons with an initial term of 5 years or more

Ineligible: Interest-Only and Buydowns
 - **Bankruptcy/Foreclosure** None in the most recent 4 years
 - **Maximum DTI** 45%, unless an acceptable Agency AU decision is obtained; then the maximum is 55%.

- **Rate & Term Refinance policy** **Revision:** Refinance loans, where the proceeds are being used to payoff a junior lien, are eligible as a Rate & Term only if:
 - All proceeds from the junior lien were used for documented home improvements **OR**
 - The junior lien was originated as a purchase-money second mortgage with the first and second liens recorded simultaneously.

Note: Refinance loans involving the payoff of a junior lien that do not meet this requirement are subject to our Cash-Out refinance guidelines.

Addition: At least one borrower obligated on the new loan must be obligated on the loan being refinanced.

- **Maximum # of MGIC-Insured Loans** Reduced to 2 per borrower
Maximum Exposure remains at \$300,000.
(Exposure = Coverage X Loan Amount)