

This MGIC Bulletin announces:

- modifications to Bulletin 02-08
 1. an increase to the maximum LTV/CLTV in Restricted Markets
 2. a delay in the implementation of the Restricted States add-ons for lender-paid premiums
 3. a modification to the definition of Restricted Markets, as defined in Bulletin 02-08
- an explanation of MGIC's policy regarding DU 7.0
- a clarification to MGIC's approach Agency AU systems and DTIs
- a change to MGIC's PreQual program/commitments issued prior to property selection

Modifications to Bulletin 02-08

1. Effective June 1, 2008 we are increasing the maximum LTV/CLTV from 85% to 90% for primary residences in Restricted Markets with loan amounts greater than \$417,000.

Primary Residences Restricted Markets				
Purchases and Rate & Term Refinances	1	85% 90%	700	> \$417,000 to \$650,000 (or up to the applicable Conforming Jumbo Limit, if being sold to a GSE)

2. The following premium add-ons for our lender paid premium plans (LPMI) will be effective July 1, 2008, rather than June 1, 2008 as previously announced.

As previously announced, the following premium rate add-ons will be applied, (subject to regulatory approval), to loans secured by properties in the following states: AZ, CA, FL, KY, MI, NJ, and NV:

Premium Plan	LTV	Premium Add-on
Monthly & Annual	90.01% - 95%	.15%
	90% & under	.10%
Single	90.01% - 95%	.60%
	90% & under	.40%

These same add-ons are effective June 1, 2008, for borrower paid premium plans (BPMI).

3. With the recent Agency changes regarding declining markets, we are modifying our Restricted Markets definition to include the following:
 - loans secured by properties in MGIC-specified markets or
 - loans secured by properties where the appraiser identifies the values as declining or
 - loans in a lender-identified declining market

All other aspects of MGIC's Restricted Market Underwriting Parameters remain as previously announced. <http://www.mgic.com/guides/restrictedmarkets.html>

MGIC's Policy Regarding DU 7.0

- MGIC will insure loans that receive an Approve, EA-1, EA-2, or EA-3/Eligible recommendation that also meet our current underwriting guidelines.
- Our Expanded Criteria premium rates will apply to loans with an EA-1, EA-2, or an EA-3/Eligible recommendation.
- EA recommendations issued by DU versions prior to 7.0 are not eligible for MGIC insurance.

Agency AU Systems and DTI's

- As specified in MGIC's Guideline Summary, our maximum DTI is 45%.
- MGIC will consider DTIs up to 55% for loans receiving DU Approve, LP Accept, EA-1, EA-2 or EA-3/Eligible recommendations.
- If an Agency AUS recommendation is obtained, MGIC requires that the lender disclose the recommendation when submitting the mortgage insurance application. If the loan is submitted to both DU and LP, the lender should submit to MGIC the recommendation used to render the loan decision.

PreQual Program/Commitments Issued Subject to Property Being Selected

- Effective immediately, PreQual letters and Commitments issued for potential purchases prior and subject to the identification of the property will be valid for a period of 30 days from the date of issuance.
- If the terms or information used to secure the PreQual letter or Commitment change, the loan is subject to underwriting guidelines in place at the time MGIC is notified of the change.