



Streamline Refinance/Loan Modification Policy

The purpose of MGIC's Streamline Refinance/Loan Modification policy is to offer servicers a simplified way to retain loans in their portfolios. Various guideline, pricing and documentation waivers apply to loans that qualify. In the past, MGIC generally accepted the GSEs or our customers' criteria for streamline refinance treatment, given the current market environment, we are no longer be able to do that. The following outlines MGIC's revised Streamline Refinance/Loan Modification Policy:

If the loan is not currently MGIC-Insured the transaction will be treated as a new loan to MGIC and evaluated based on MGIC's then current U/W guidelines for documentation, premium rates and where applicable, Restricted Market guidelines.

If the loan is currently MGIC-Insured the new transaction may be eligible for MGIC's Streamline Refinance or MGIC Loan Modification treatment, depending on the details of the transaction:

- An MGIC Streamline Refinance is treated as a new loan and a new C/C number is issued. However, because MGIC is insuring the existing loan, the new loan is not subject to MGIC's current U/W and Restricted Market guidelines. Streamline Refinance loans are subject to MGIC's premium rates in effect at the time of the submission.

To qualify for an MGIC Streamline Refinance the following criteria must be met:

Guideline	MGIC – Insured
Transaction Type	<ul style="list-style-type: none"> ▪ Rate/Term Refinance ▪ No more than 2% or \$2k cash back ▪ Reasonable closing costs may be added to balance, not to exceed the lesser of 3% or \$7,500
LTV/CLTV	100%, based on current value
Units	Same as original
Occupancy	Same as original
Loan Type - New	<ul style="list-style-type: none"> ▪ Fixed ▪ Fully Amortizing ARM (min 5 years to first adjustment) ▪ Interest Only (min 5 yrs for ARM, 10 yrs for Fixed)
Credit Score	No Min Credit Score
Mortgage Payment History	<ul style="list-style-type: none"> ▪ Current at application ▪ 0x30 in the most recent 12 mos.
Property Type	Same as original
Subordinate Financing	Existing may be re-subordinated
Payment Change	<ul style="list-style-type: none"> ▪ Premium rate based on new instrument ▪ No increase in P & I from existing loan
Documentation	<ul style="list-style-type: none"> ▪ 1008 or 65 ▪ Current Credit Report ▪ Current mortgage payment history ▪ Current property valuation
Premium	<ul style="list-style-type: none"> ▪ Rate Category: Must remain the same (i.e. A=A, "A-" = "A-", Alt A = Alt A), note: Single File – Ineligible ▪ Percent of Coverage: Must remain the same ▪ Premium Rates: Current filed premium rates will apply

- An MGIC Loan Modification is not treated as a new loan. The modified loan is not subject to MGIC's current Underwriting and Restricted Market Guidelines. MGIC defines a loan modification as a change to an insured loan evidenced by a modification agreement or a new note with coverage continuing under a previously issued, in force Commitment/Certificate. Generally, a loan modification occurs when a conversion option is being exercised or if the interest rate is the only change on a loan or for purposes of MGIC's loss mitigation.

To qualify for an MGIC Loan Modification the following criteria must be met:

- Coverage percentage must remain the same
- Premium rate category (A, A-, Alt-A) must remain the same
- MGIC Commitment Certificate number will remain the same
- Loan to Value category may change, based on new principal balance

When the new transaction is treated as a loan modification, the LTV on the modified loan will be based on the value of the property as represented at the time the existing loan was made rather than the new or current value of the property. As a result, the LTV on the modified loan will not be subject to a 100% limitation (103% inclusive of closing costs) and the premium rate would remain the same as that on the existing loan.