

The MGIC logo is displayed in white, bold, sans-serif capital letters on a dark blue banner. The banner is set against a background of light green diagonal stripes on a white field.

MGIC



MGIC

The fastest way to
move-in day for your
HomeReady[®] and
Home Possible[®] loans

Purchase Transactions

We want to make your job as easy as possible. That's why, in addition to being the easiest MI provider to work with, we put together this matrix showing different guidelines for HomeReady and Home Possible for purchase transactions.

These guidelines are Fannie Mae's and Freddie Mac's and current as of Oct. 29, 2018.

We allow for 100% gift funds on loans up to 97% LTV and credit scores down to 620. For complete MGIC Underwriting Requirements, go to mgic.com/guides.

For more information or for a presentation you can use with your real estate referral partners, contact your MGIC account representative, mgic.com/contact.

We derived the information provided in this comparison from Fannie Mae and Freddie Mac publications, including information posted on their websites. While we believe this information was accurate as of the date we prepared this comparison, we are not a representative or an agent of either Fannie Mae or Freddie Mac and do not warrant its accuracy or completeness. You may want to verify the comparison's accuracy and completeness independently.

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Program Requirements for Purchase Transactions	97% LTV		95% LTV	
	HomeReady	Home Possible	HomeReady	Home Possible
First-Time Homebuyer (FTHB)	No FTHB requirement		No FTHB requirement	
Income Limits	100% of AMI; Low-income census tracts – No borrower income limits		100% of AMI; Low-income census tracts – No borrower income limits	
Borrower Contribution From Own Funds	No minimum contribution from borrower personal funds required		1 unit – no minimum contributions from personal funds (2 unit – 3%, Maximum 85% LTV) 3% if sweat equity	1 unit – no minimum contribution from personal funds (including sweat equity) 2-4 units – 3% 3% if lender funded grant
Reserves	Determined by Desktop Underwriter® (DU®)	Determined by Loan Product Advisor® or none for manual underwrite	Determined by DU or Manual (determined by credit score, qualifying ratios & product)	Determined by Loan Product Advisor or Manual: • 1 unit – none • 2-4 units – 2 months
CLTV/TLTV	105% CLTV if Community Seconds® loan	105% TLTV if Affordable Seconds® loan	105% CLTV if Community Second*	1 unit Fixed – 105% TLTV if Affordable Seconds® loan* 2-4 units Fixed – 95% TLTV 1-2 unit ARM – 95% TLTV
Loan Programs	Fixed – Term to 30 years; 3-2-1 buydown allowed		Fixed – Term to 30 years; 5/1, 5/5, 7/1 and 10/1 ARM* 3-2-1 buydown allowed	Fixed – Term to 30 years; 5/1, 5/5, 7/1 or 10/1 ARM* 3-2-1 buydown allowed, 1-2 unit
Occupancy	Primary residence – All borrowers must occupy		Primary residence – Non-occupant borrowers (DU 95% LTV; Manual 90% LTV)	Primary residence – Non-occupant borrowers, 1 unit (Loan Product Advisor 95% LTV; Manual 90% LTV)
Ownership of Other Property	Borrower(s) may have an ownership interest in other residential property at the time of closing		Occupant and non-occupant borrower(s) may have an ownership interest in other residential property at the time of closing	
*Manufactured Homes	Ineligible, unless MH Advantage™	Ineligible	CLTV 95% unless MH Advantage Fixed, 7/1 or 10/1 ARM (no buydowns) DU required	TLTV 95% Fixed, 7/1 or 10/1 ARM (no buydowns) Loan Product Advisor required
Number of Units	1 unit		1 unit (2 units – Maximum 85% LTV)	1-4 units
Submission	DU Only	Loan Product Advisor or Manual Underwrite	DU or Manual Underwrite*	Loan Product Advisor or Manual Underwrite*
Manual Underwrite	Not Allowed	Allowed	Allowed*	
Minimum Mortgage Insurance Coverage	25% or 18% + Minimum MI Loan-Level Price Adjustment/MI Delivery Fee		25% or 18% + Minimum MI Loan-Level Price Adjustment/MI Delivery Fee	
Homebuyer Education	Required for at least 1 borrower	Required for at least 1 borrower when <u>all borrowers</u> are FTHBs	Required for at least 1 borrower	Required for at least 1 borrower when: • All occupying borrowers are FTHBs OR • Credit reputation for all borrowers is established using only noncredit (nontraditional) payment references
Eligible Homebuyer Education	<ul style="list-style-type: none"> Framework Homeownership, LLC – \$75 OR Homeownership education course required by a Community Seconds/DPA program that is provided by a HUD-approved agency OR Housing Counseling from a HUD-approved nonprofit housing counseling agency as evidenced by a completed Fannie Mae Form 1017 (must occur prior to buyer signing purchase contract) 	<ul style="list-style-type: none"> Homeownership education programs developed by mortgage insurance companies such as Readyneat.com from MGIC OR Freddie Mac's CreditSmart® (See Freddie Mac's website for additional eligible programs) OR HUD-approved counseling agencies, HFAs or CDFIs 	<ul style="list-style-type: none"> Framework Homeownership, LLC – \$75 OR Homeownership education course required by a Community Seconds/DPA program that is provided by a HUD-approved agency OR Housing Counseling from a HUD-approved nonprofit housing counseling agency as evidenced by a completed Fannie Mae Form 1017 (must occur prior to buyer signing purchase contract) 	<ul style="list-style-type: none"> Homeownership education programs developed by mortgage insurance companies such as Readyneat.com from MGIC OR Freddie Mac's CreditSmart (See Freddie Mac's website for additional eligible programs) OR HUD-approved counseling agencies, HFAs or CDFIs

You're not sure what to do about that fixer-upper



**And then
it hits you**

We insure Fannie Mae HomeStyle® and Freddie Mac Renovation Mortgages

Some dream homes require a little work. These programs allow borrowers to get the repairs, remodeling and renovations done now without the need for a second mortgage or home equity line of credit.

To learn how else we can help you make your job easier, contact your local MGIC representative, mgic.com/contact.

Mortgage Guaranty Insurance Corporation

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