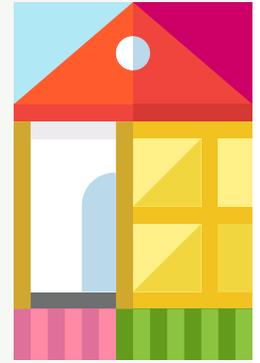


Split Premiums and TRID



How are MGIC's Split Premiums disclosed on the Loan Estimate (LE) and Closing Disclosure (CD)?

The Split MI Premium is disclosed in the Projected Payments table of both the LE and CD. Because MGIC's Split Premium plan allows for part of the MI premium to be paid up front — reducing the monthly MI premium paid along with the mortgage payment — it is also reflected in the Closing Cost Details. The MI premium is included in the 5-year payment total of the LE Comparisons table (pg. 3) and the Total of Payments table (pg. 5) on the CD.

Which tolerance applies?

TRID 0% tolerance applies to the upfront split premium paid at consummation. Tolerances do not apply to the monthly MI portion because the borrower pays no monthly MI premium at consummation. The disclosed monthly premium must be based on the best available information at the time of disclosure.

What if the cost changes?

If the upfront premium changes, the lender is required to provide a revised LE disclosure within 3 business days if a cost increase occurs due to a permitted changed circumstance and the lender will pass the cost on to the borrower. The lender is not required to provide a new LE disclosure when only the cost for monthly MI premium changes; however, if the lender issues a revised LE disclosure, it must reflect the updated cost. If the lender does not issue an updated LE, then the revised cost would be reflected only on the CD.

See reverse for a sample Split MI disclosure.

For additional information, go to consumerfinance.gov/regulatory-implementation/tila-respa/ or consult your regulatory counsel.

MGIC

Sample Split MI disclosure

MGIC's Split Premium upfront portion paid at consummation must be disclosed on page 2 of the LE and CD.

In this example, the upfront Split Premium is disclosed in the LE's Services You Cannot Shop For and the CD's Services Borrower Did Not Shop For sections. The monthly portion of the Split MI payment is disclosed in the Projected Payments table.

Years 1-7 column reflects initial monthly payments of Principal & Interest, Mortgage Insurance and Estimated Escrow. The column label reflects the years during which the payments shown in that column will apply.

Years 8-30 column reflects monthly payments after triggering event — automatic cancellation of mortgage insurance in year 7 under the Homeowners Protection Act. After automatic cancellation, there is no monthly MI premium, indicated with a dash (—) and reflected in the lower Estimated Total Monthly Payment amount.

Services Borrower Did Not Shop For section reflects the upfront split premium portion paid at consummation.

Note: The MI premium is also included in the 5-year payment total of the LE Comparisons table (pg. 3) and the Total of Payments table (pg. 5) on the CD.

The information and illustrations provided here are for informational purposes only and do not constitute legal advice. Lenders should refer to the TILA/RESPA regulations and consult with counsel for compliance with all applicable TRID requirements.

Closing Disclosure (pg. 1)

Closing Disclosure This form is a statement of closing costs to be compared with your Loan Estimate.

Loan Estimate

DATE ISSUED Oct. 5, 2015

APPLICANTS Michael Jones and Mary Stone
123 Anywhere Street
Anytown, ST 12345

PROPERTY 456 Somewhere Avenue
Anytown, ST 12345

SALE PRICE \$222,222.23

LOAN TERM 30 years

PURPOSE Purchase

PRODUCT Fixed Rate

LOAN TYPE Conventional FHA VA

LOAN ID # 123456789

RATE LOCK NO YES, until Dec. 6, 2015 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 12/6/2015 at 5:00 p.m. EDT.

Can this amount increase after closing?

Loan Amount	\$200,000	NO
Interest Rate	4.125%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$969.30	NO

Does the loan have these features?

Prepayment Penalty	NO
Balloon Payment	NO

Projected Payments

Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$969.30	\$969.30
Mortgage Insurance	+ 37	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 267	+ 267
Estimated Total Monthly Payment	\$1,273	\$1,236

Closing Cost Details

Loan Costs	Borrower Pays		Seller Pays		Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges					
01. 0.25 % of Loan Amount (Points)	\$405.00				
02. Application Fee	\$300.00				
03. Underwriting Fee	\$1,097.00				
04.					
05.					
06.					
B. Services Borrower Did Not Shop For					
01. Appraisal Fee to John Smith Appraisers Inc.	\$405.00				
02. Credit Report Fee to Information Inc.		\$29.80			
03. Flood Determination Fee to Info Co.	\$20.00				
04. Flood Monitoring Fee to Info Co.	\$31.75				
05. Mortgage Insurance Premium to MGIC	\$2,000.00				
06. Tax Monitoring Fee to Info Co.	\$75.00				
07. Tax Status Research Fee to Info Co.	\$110.00				
B. Services You Cannot Shop For					
Appraisal Fee	\$405				
Credit Report Fee	\$30				
Flood Determination Fee	\$20				
Flood Monitoring Fee	\$32				
Mortgage Insurance Premium paid to MGIC	\$2,000				
Tax Monitoring Fee	\$75				
Tax Status Research Fee	\$110				
C. Services You Can Shop For					
Pest Inspection Fee	\$135				
Survey Fee	\$65				
Title — Insurance Binder	\$700				
Title — Lender's Title Policy	\$535				
Title — Settlement Agent Fee	\$502				
Title — Title Search	\$1,261				
D. TOTAL LOAN COSTS (A + B + C)	\$7,672				
G. Initial Escrow Payment at Closing					
Homeowner's Insurance	\$100.83	per month for 2 mo.	\$202		
Mortgage Insurance		per month for mo.			
Property Taxes	\$105.30	per month for 2 mo.	\$211		
H. Other					
Title — Owner's Title Policy (optional)			\$1,017		
I. TOTAL OTHER COSTS (E + F + G + H)			\$2,382		
J. TOTAL CLOSING COSTS			\$10,054		
D + I			\$10,054		
Lender Credits					
Calculating Cash to Close					
Total Closing Costs (J)			\$10,054		
Closing Costs Financed (Paid from your Loan Amount)			\$0		
Down Payment/Funds from Borrower			\$18,000		
Deposit			— \$10,000		
Funds for Borrower			\$0		
Seller Credits			\$0		
Adjustments and Other Credits			\$0		
Estimated Cash to Close			\$18,054		