

# Credit Union Borrower-Paid & Lender-Paid Monthly Premiums HomeReady® Coverage Rates



Effective Date: Dec. 4, 2017

Loan Center users, expedite MI processing by entering the HomeReady Special Feature Code 900 in the **MGIC Program ID #** field.

## 30-Year Purchase – Fixed for the first 5 years\*

| LTV            | Coverage | 760+ | 740-759 | 720-739 | 700-719 | 680-699 | 660-679 | 640-659 | 620-639 |
|----------------|----------|------|---------|---------|---------|---------|---------|---------|---------|
| 97%<br>-95.01% | 25%      | .44% | .52%    | .59%    | .68%    | .91%    | 1.20%   | 1.27%   | 1.45%   |
|                | 18       | .37  | .41     | .44     | .53     | .69     | .91     | .97     | 1.08    |
| 95%<br>-90.01% | 25       | .33  | .42     | .49     | .55     | .68     | .96     | 1.05    | 1.15    |
|                | 16       | .28  | .30     | .36     | .40     | .46     | .67     | .74     | .90     |
| 90%<br>-85.01% | 25       | .25  | .29     | .35     | .41     | .50     | .72     | .80     | .90     |
|                | 12       | .19  | .21     | .25     | .27     | .35     | .45     | .50     | .54     |
| 85%<br>& Below | 12       | .18  | .19     | .22     | .24     | .27     | .35     | .39     | .41     |
|                | 6        | .16  | .16     | .17     | .18     | .19     | .21     | .31     | .35     |

## 30-Year Purchase – Nonfixed\*

| LTV            | Coverage | 760+ | 740-759 | 720-739 | 700-719 | 680-699 | 660-679 | 640-659 | 620-639 |
|----------------|----------|------|---------|---------|---------|---------|---------|---------|---------|
| 97%<br>-95.01% | 25%      | .59% | .70%    | .80%    | .92%    | 1.23%   | 1.62%   | 1.71%   | 1.96%   |
|                | 18       | .50  | .55     | .59     | .72     | .93     | 1.23    | 1.31    | 1.46    |
| 95%<br>-90.01% | 25       | .45  | .57     | .66     | .74     | .92     | 1.30    | 1.42    | 1.55    |
|                | 16       | .38  | .41     | .49     | .54     | .62     | .90     | 1.00    | 1.22    |
| 90%<br>-85.01% | 25       | .34  | .39     | .47     | .55     | .68     | .97     | 1.08    | 1.22    |
|                | 12       | .26  | .28     | .34     | .36     | .47     | .61     | .68     | .73     |
| 85%<br>& Below | 12       | .24  | .26     | .30     | .32     | .36     | .47     | .53     | .55     |
|                | 6        | .22  | .22     | .23     | .24     | .26     | .28     | .42     | .47     |

## 20-Year Purchase – Fixed for the first 5 years\*

| LTV            | Coverage | 760+ | 740-759 | 720-739 | 700-719 | 680-699 | 660-679 | 640-659 | 620-639 |
|----------------|----------|------|---------|---------|---------|---------|---------|---------|---------|
| 97%<br>-95.01% | 25%      | .30% | .40%    | .50%    | .57%    | .68%    | .82%    | .91%    | 1.01%   |
|                | 18       | .25  | .33     | .40     | .50     | .55     | .65     | .73     | .82     |
| 95%<br>-90.01% | 25       | .23  | .25     | .33     | .38     | .50     | .62     | .72     | .80     |
|                | 16       | .20  | .22     | .27     | .32     | .40     | .47     | .52     | .56     |
| 90%<br>-85.01% | 12       | .17  | .19     | .21     | .23     | .28     | .33     | .36     | .38     |
| 85%<br>& Below | 6        | .15  | .15     | .16     | .17     | .18     | .20     | .24     | .27     |

## 20-Year Purchase – Nonfixed\*

| LTV            | Coverage | 760+ | 740-759 | 720-739 | 700-719 | 680-699 | 660-679 | 640-659 | 620-639 |
|----------------|----------|------|---------|---------|---------|---------|---------|---------|---------|
| 97%<br>-95.01% | 25%      | .41% | .54%    | .68%    | .77%    | .92%    | 1.11%   | 1.23%   | 1.36%   |
|                | 18       | .34  | .45     | .54     | .68     | .74     | .88     | .99     | 1.11    |
| 95%<br>-90.01% | 25       | .31  | .34     | .45     | .51     | .68     | .84     | .97     | 1.08    |
|                | 16       | .27  | .30     | .36     | .43     | .54     | .63     | .70     | .76     |
| 90%<br>-85.01% | 25       | .30  | .34     | .43     | .50     | .58     | .74     | .77     | .80     |
|                | 12       | .23  | .26     | .28     | .31     | .38     | .45     | .49     | .51     |
| 85%<br>& Below | 12       | .23  | .24     | .28     | .31     | .35     | .41     | .42     | .43     |
|                | 6        | .20  | .20     | .22     | .23     | .24     | .27     | .32     | .36     |

\*Permanent payment terms of the mortgage note determine loan program category.

See back page for applicable Notes and Premium Adjustments.

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## BORROWER-PAID PREMIUMS

Borrowers pay premiums as part of their monthly mortgage payment.

## LENDER-PAID PREMIUMS

The lender pays the premium; the borrower is not charged separately.

## MONTHLY PREMIUMS

No premium is due at closing. Billing is deferred until the first full month after closing. The premium tables (on reverse) provide annualized rates. To determine the monthly premium, multiply the applicable premium rate by the loan amount and divide by 12. Round to the nearest cent.

## ANNUAL PREMIUMS

Borrowers pay the first-year premium at closing. The renewal premium is due on the certificate's anniversary date. Lender-paid annual premiums are not available.

## RENEWALS

**Constant Renewals** apply the rate to the original insured loan balance. The rate for years 2 through 10 is the same as the first-year rate. For years 11 through term, the premium rate is reduced to .17% or remains the same if the rate before this reduction is less than .17%. Constant renewals are not available on lender-paid rates. **Declining Renewal** rates are applied to the outstanding insured loan balance. The rate for years 2 through term is the same as the first-year rate. The loan balance is adjusted annually on the certificate's anniversary date.

## REFUNDS

Borrower-Paid Monthly Premiums are non-refundable, unless coverage is cancelled or terminated under the Homeowners Protection Act of 1998. In this case, we will provide a refund based on our unearned premium calculation. Borrower-Paid Annual Premiums are refundable; we provide a prorated premium refund upon cancellation of coverage. Lender-Paid Monthly Premiums are non-refundable.

## LOAN PROGRAM CATEGORIES

**Fixed Rate** applies to loans with level or declining payments for the first 5 years and no potential for negative amortization. For loans with a temporary buydown, use fixed premiums if the permanent payment terms of the mortgage note meet our fixed criteria.

**Nonfixed Rate** applies to loans with actual or potential payment changes during the first 5 years.

| Adjustments                             | 760+   | 740-759 | 720-739 | 700-719 | 680-699 | 660-679 | 640-659 | 620-639 |
|---|--------|---------|---------|---------|---------|---------|---------|---------|
| Rate-and-Term Refinance                 | + .00% | + .00%  | + .00%  | + .05%  | + .05%  | + .05%  | + .15%  | + .20%  |
| Annual Premium (Refundable)             | -.02   | -.03    | -.03    | -.04    | -.04    | -.05    | -.07    | -.07    |
| Declining Renewals (Borrower-paid only) | + .01  | + .03   | + .03   | + .04   | + .04   | + .05   | + .07   | + .07   |
| Employee Relocation Loans               | -.02   | -.04    | -.04    | -.07    | -.07    | -.10    | -.12    | -.12    |
| Manufactured Housing                    | + .18  | + .20   | + .20   | + .20   | + .25   | + .30   | + .35   | + .40   |
| 3- to 4-Unit Properties                 | + .34  | + .38   | + .42   | + .47   | + .50   | + .57   | + .65   | + .75   |
| Refundable Monthly                      | + .02  | + .03   | + .03   | + .04   | + .04   | + .05   | + .07   | + .07   |

Rates cannot be reduced below .15%.

Rates may not be available for all LTVs and credit scores. Refer to our Underwriting Guide, [cu.mgic.com/uwguide](http://cu.mgic.com/uwguide), for loan eligibility.

Rates and adjustments are subject to state regulatory approval and are subject to change. Additional rates may also be available. For questions regarding state approvals and additional rates, please contact your MGIC representative.

## RATE SELECTION

**30-Year Rates** apply to loans with an amortization period greater than 20 years.

**20-Year Rates** apply to loans with an amortization period of 20 or fewer years.

Select LTV category based on first lien only.

Lowest credit score tier pricing applies when no borrower has a valid credit score, including borrowers with no credit score.

## AGENCY REQUIREMENTS

Fannie Mae's HomeReady program's coverage requirements differ from standard Agency requirements.

| Base LTV       | HomeReady Coverage |            |
|----------------|--------------------|------------|
|                | > 20 Years         | ≤ 20 Years |
| 97%<br>-95.01% | 25%                | 25%        |
| 95%<br>-90.01% | 25                 | 25         |
| 90%<br>-85.01% | 25                 | 12         |
| 85%<br>& Below | 12                 | 6          |

Use the > 20 Years columns for ARMs and manufactured homes coverage requirements. These coverage requirements are subject to change. While we try to keep this information current, we do not warrant the accuracy or completeness of these requirements.

In addition, loans processed through an Agency AUS and specific Agency programs may have different coverage requirements. Therefore, the requirements listed above may be outdated or inapplicable; do not rely on them to determine current Agency coverage requirements.

## FOR MORE INFORMATION

Contact your MGIC representative or your MGIC Regional Underwriting Service Center, [cu.mgic.com/contact](http://cu.mgic.com/contact).

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## Mortgage Guaranty Insurance Corporation

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