

With MGIC's Home Improvement/Rehab loan program...

A FIXER-UPPER BECOMES A DREAM COME TRUE

Our Home Improvement/Rehab program is designed for your borrowers who see straight past "what is" all the way to "what if...?"

The program allows them to use loan proceeds to complete home improvements, rehabilitation or repairs — to help them convert their vision into reality.

Whether the loan is a purchase loan or a refinance determines MI eligibility and premium rate.

For Fannie Mae HomeStyle® Renovation Mortgage loans with a DU® Approve/Eligible response and Freddie Mac Renovation Mortgage loans with an LPA® Accept/Eligible response, follow Agency AUS Findings/Feedback and MGIC Go!™ requirements. See section 2 of our Underwriting Guide.

MGIC Go!™ is an MGIC trademark. DU® is a registered trademark of Fannie Mae. LPA® is a registered service mark of Freddie Mac.

Underwriting Requirements

LTV calculation

- **Purchase loans – Use the lesser of:**
 - Purchase price plus documented cost of improvements
 - Current appraised value as completed per plans and specs
- **Rate/term**
 - Use current appraised value, as completed per plans and specs

Improvements

- **Eligible expenses**
 - Architectural, consulting and engineering fees
 - Contracted labor
 - Materials
 - Permit /property inspection fees
 - Title fees
 - Contingency reserves up to 10% of the cost of improvements
- **Borrower-completed improvements or repairs**
 - May not exceed 10% of the "as completed" value of the property
 - The borrower must have the skill to perform the work
 - The borrower may be reimbursed for the cost of materials

Property

- A property must be complete prior to insurance activation; however, if the property is occupancy-ready and at least 90% complete, you may escrow up to 10% of the property value for improvements or repairs necessary to complete the property.
- Improvements or repairs must be completed
 - Evidence of completion must be documented in the loan file
 - We are not liable for a claim on a loan where required improvements or repairs were not completed

Additional requirements

See our Underwriting Guide, mgic.com/guides.

For more information, contact your MGIC representative, mgic.com/contact.