



## Medical and Dental Pro Product Description



**Medical and Dental Pro is part of the MGIC Portfolio Playbook™ family.** For more information about additional Playbook products, contact your MGIC representative or go to [mgic.com/playbook](http://mgic.com/playbook).

Underwriting and documentation requirements are specific to MGIC mortgage insurance.

Throughout this document, we will refer you to supporting information in our Underwriting Guide. For example, (UWG 3.06) means you will find related information in Section 3, subsection 6, of the Guide. See our Underwriting Guide at [mgic.com/uwguide](http://mgic.com/uwguide).

Loans must meet requirements stated below and in our Underwriting Guide Section 1 and Section 3. Where indicated in the Guide, you may follow standard Agency guidelines and Agency selling guide documentation requirements (UWG 1.03.03), along with any specified MGIC guidelines and requirements. Consult your internal staff regarding regulatory and compliance requirements.

Changes to guidelines found in the previous version of this document are highlighted in purple.

Eligibility Matrix (Owner-Occupied, Primary Residence)							
Loan Purpose	Property Type	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score	Max. Total DTI <sup>3</sup>	Min. Reserves (Number of Months' PITI)	Min. Borrower Contribution
Purchase, Construction-Permanent, Home Improvement	1-Unit Detached, Attached, Condominium, PUDs	100%/105% <sup>1</sup>	\$850,000	700	43%	2	Greater of \$1,000 or 1%
			\$550,000	680	43%	2	Greater of \$1,000 or 1%
Purchase, Rate/Term Refinance, Construction-Permanent, Home Improvement	1-Unit Detached, Attached, Condominium, PUDs, Co-Op	97%	\$850,000	680	45%	2	3%
			\$550,000 <sup>2</sup>	660	45%	2	3%
	2-Unit	95%	\$1,000,000	740	43%	9	5%
			\$850,000	680	45% <sup>4</sup>	2	3%
	1-Unit Manufactured Homes	95%	\$550,000 <sup>2</sup>	660	45%	2	3%
	1-Unit Detached	90%	\$1,500,000	720	43%	12	10%
			\$1,000,000	680	45%	9	5%
			\$2,000,000	740	43%	12	10%

<sup>1</sup> **WealthBuilder Pro™ allows for submission of 100% LTV loans with a maximum loan term of 20 years. Prior approval for WealthBuilder Pro is required and can be requested by contacting your MGIC Account Manager.**

<sup>2</sup> Alaska and Hawaii: Maximum loan amount, \$850,000

<sup>3</sup> When qualifying your borrower for MGIC mortgage insurance, note that we do not require you to include the mortgage insurance premium in the DTI calculation.

<sup>4</sup> DTI ratio: Nonfixed-rate/payment < 5 years – 41% Total DTI



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#### Exclusion of Certain Student Loan Payments (UWG 3.12.03a)

- You may exclude student loan payments from the total monthly debt obligation if the following conditions are met:
  - Payments will be deferred for at least 12 months after the application date and/or the borrower's medical residency will continue at least 6 months after the closing date
  - The borrower responsible for the debt is in one of the following professions: Medical Resident, Medical Doctor, Doctor of Dental Medicine, Doctor of Dental Surgery, Doctor of Optometry
- You must include student loan payments in the total monthly debt obligation when qualifying the borrower with future income

#### Eligible Origination Channels

- Retail
- Correspondent
- Third-party originator (TPO)

#### Documentation

Complete Origination File documents (UWG 1.06.02); see UWG 3.01 for Agency AUS documentation efficiencies.

#### Underwriting Options

##### Loan amount $\leq$ \$850,000:

- Delegated Underwriting (UWG 1.07): Submit an application with loan data only (in lieu of physical documents) via the Loan Center, your loan origination system or other electronic data interface
- Non-Delegated Underwriting (UWG 1.08): Submit documents with your MGIC insurance application via the Loan Center or other document delivery service. Upon review, we may request additional documentation

##### Loan amount $>$ \$850,000:

- Non-Delegated Underwriting (UWG 1.08): Submit documents with your MGIC insurance application via the Loan Center or other document delivery service. Upon review, we may request additional documentation

Certain underwriting features may restrict submission options. See our Underwriting Guide for details, [mgic.com/uwguide](http://mgic.com/uwguide).

#### Mortgage Insurance Premium Plans

- Borrower-Paid: Monthly, Single
- Lender-Paid: Monthly, Single



**Mortgage Insurance Coverage – Get a rate quote with MiQ, mgic.com/MiQ**

LTV	10- to 20-Year Term
97.01%-100%	35%, 30%, 25%, 20%
LTV	10- to 40-Year Term
95.01%-97%	35%, 30%, 25%, 18%
90.01%-95%	35%, 30%, 25%, 18%, 16%
85.01%-90%	30%, 25%, 17%, 12%
80.01%-85%	25%, 17%, 12%, 6%

- Eligible loan types for loan amounts > \$850,000, maximum mortgage insurance coverage is limited to:
  - 95% LTV: 30%
  - 90% LTV: 25%
  - 85% LTV: 12%

**Non-Occupant Co-Borrower (UWG 3.04.03)**

- The occupant borrower must meet all MGIC Underwriting Guidelines without including the non-occupant co-borrower’s income, obligations and assets for qualifying purposes
- The non-occupant co-borrower’s credit will be considered for eligibility and premium pricing
- The non-occupant co-borrower may not be an interested party (e.g., seller, builder, real estate agent)

**Loan Purpose (UWG 3.06)**

- See eligible loan purposes in the eligibility matrix on page 1
- **Ineligible: Rate/term refinance for > 97% LTVs, cash-out refinance**

**100% LTV Loan Type and Terms (UWG 3.08)**

- Maximum term: 20 years
- Fixed-rate
- Fully amortizing ARM with an initial term of 5 years or more
- **Ineligible: Balloon, interest-only, GPM, scheduled neg-am, potential neg-am, temporary buydowns, loan term > 20 years**

**Note:** Products must be fully amortizing with customizable terms between 10 and 20 years.

**100% LTV Adjustable-Rate Mortgages (ARMs) (UWG 3.08.02)**

Initial Fixed Period	Adjusts	Max. 1st Adjustment	Max. Subsequent Adjustments	Lifetime Cap	Qualifying Rate
5 years	Annually	6%	2%	6%	Greater of Note Rate +2% or FIAR
	Every 5 years	6%	6%	6%	
> 5 years	Annually	6%	2%	6%	Note Rate
	Every 5 or more years	6%	6%	6%	

Note: Must be based on a publicly available index that is not controlled by the lender or servicer.



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**≤ 97% LTV Loan Type and Terms (UWG 3.08)**

- Maximum term: 40 years
- Fixed-rate
- Fully amortizing ARM
  - Initial term < 5 years: Maximum 95% LTV/CLTV
  - Loan amounts > \$850,000: Initial term of 5 years or more
- Balloon: Maximum 95% LTV/CLTV with an initial term of 5 years or more
- **Ineligible: Interest-only, GPM, scheduled neg-am, potential neg-am**

**≤ 95% LTV Adjustable-Rate Mortgages (ARMs) (UWG 3.08.02)**

Initial Fixed Period	Adjusts	Max. 1st Adjustment	Max. Subsequent Adjustments	Lifetime Cap	Qualifying Rate
> 6 months to < 1 year	Annually	1%	2%	6%	Greater of Note Rate + 2% or FIAR
≥ 1 year to < 3 years	Annually	2%	2%	6%	
≥ 3 years to < 5 years	Annually	3%	2%	6%	

Note: Must be based on a publicly available index that is not controlled by the lender or servicer.

**≤ 97% LTV Adjustable-Rate Mortgages (ARMs) (UWG 3.08.02)**

Initial Fixed Period	Adjusts	Max. 1st Adjustment	Max. Subsequent Adjustments	Lifetime Cap	Qualifying Rate
5 years	Annually	6%	2%	6%	Greater of Note Rate + 2% or FIAR
	Every 5 years	6%	6%	6%	
> 5 years	Annually	6%	2%	6%	Note Rate
	Every 5 or more years	6%	6%	6%	

Note: Must be based on a publicly available index that is not controlled by the lender or servicer.

**≤ 95% LTV Interest Rate Buydown (Temporary or Permanent) (3.08.05)**

Eligible Loan Types	Max. Annual Rate Increase	Property Unit Count	Max. LTV/CLTV	Buydown Schedule
Fixed-rate, ARMs with ≥ 5 year initial fixed period, Balloons	1%	1	95%	2%-1%
			90%	3%-2%-1%
		2	95%	2%-1%

- Maximum loan amount: \$850,000
- Qualification:
  - ARM with an initial term of 5 years – Use greater of note rate + 2% or FIAR
  - Fixed-rate or ARM with an initial term > 5 years – Use note rate
- **Ineligible: Manufactured homes**



**Credit (UWG 3.11)**

- Use the lowest of all Borrower Indicator Scores – the lower of 2 or middle of 3 valid credit scores for each borrower; see UWG 3.11.02
- When no borrower has a valid credit score, follow Underwriting Guidelines for nontraditional credit (UWG 3.11.04)
  - Requires non-delegated underwriting (UWG 1.08)
  - Maximum loan amount: \$850,000
  - Maximum LTV: 90%

**100% LTV Borrower's Own Funds (UWG 3.10.01)**

- Minimum from borrower's own funds - The greater of \$1,000 or a 1% contribution toward the down payment, closing costs, prepaids and reserves
- Gifts (UWG 3.10.04b)
  - Can apply toward the 1%; maximum DTI, 41%; credit score  $\geq$  720; **Ineligible: Subordinate financing**
  - If the donor has resided with the borrower for the most recent 12 months and intends to continue to do so, see UWG 3.10.04b

**$\leq$  97% LTV Borrower's Own Funds (UWG 3.10.01)**

- Minimum borrower's own funds toward the down payment, closing costs, prepaids and reserves (see eligibility matrix on page 1)
- Gifts (UWG 3.10.04b)
  - Can apply toward the 3%; 1-unit; maximum loan amount, \$850,000; maximum DTI, 41%; credit score  $\geq$  720; fixed-rate mortgage or ARM with initial fixed period of at least 5 years; **Ineligible: Subordinate financing**
  - If the donor has resided with the borrower for the most recent 12 months and intends to continue to do so, see UWG 3.10.04b

**Down Payment Assistance/Subordinate Financing (UWG 3.05.03)**

- Down payment assistance (e.g., loans, grants, etc.) may be used for down payment, closing costs and reserves after the minimum borrower contribution has been met; see UWG 3.05.03
- Must meet Fannie Mae's Community Seconds® or Freddie Mac's Affordable Seconds® guidelines
- If monthly payment is required (including deferred), include secondary financing in CLTV and monthly payment in proposed housing payment
- **Ineligible: Funds provided by any interested party to the transaction or the lender**

**Interested Party Contributions (IPCs) (3.10.04c)**

Maximum contribution:

- $>$  90% LTV/CLTV – 3%
- $\leq$  90% LTV/CLTV – 6%





### 100% LTV Property Types and Considerations (UWG 3.13)

- Rural properties (UWG 3.13.09)
  - We'll consider rural properties under the same conditions as those located in suburban or urban locations when:
    - The appraiser deems the property's best use as residential
    - No income derived from the property is used for qualifying
  - Properties with more than 20 acres:
    - Land value may not exceed 50% of the total value
    - Require non-delegated underwriting (UWG 1.08)
  - For properties accessed by a private road, see UWG 3.13.11c
- **Ineligible: 2- to 4-unit properties, manufactured homes, cooperatives, properties located in Guam and Puerto Rico**

### ≤ 97% LTV Property Types and Considerations (UWG 3.13)

- Manufactured home (UWG 3.13.08)
  - Double-wide or greater
  - Fixed-rate/payment or fully amortizing ARMs with initial term of 5 years or more
  - Loan term maximum 30 years
  - **Ineligible: Leased land, temporary buydowns, home improvement**
- Rural properties (UWG 3.13.09)
  - We'll consider rural properties under the same conditions as those located in suburban or urban locations when:
    - The appraiser deems the property's best use as residential
    - No income derived from the property is used for qualifying
  - Properties with more than 20 acres:
    - Maximum loan amount: \$850,000
    - Land value may not exceed 50% of the total value
    - Require non-delegated underwriting (UWG 1.08)
  - For properties accessed by a private road, see UWG 3.13.11c
- **Ineligible: 3- to 4-unit properties, properties located in Guam and Puerto Rico**

### Appraisals and Property Valuation (UWG 3.14)

- You must obtain an appraisal to establish the property's value
- Must have a condition rating C4 or better
- Must have a quality rating Q5 or better
- Loan amount ≤ \$1,000,000 – A Uniform Residential Appraisal Report (URAR)
- Loan amount > \$1,000,000 – 2 independent URARs or 1 independent URAR plus an appraiser-provided field review supporting its value

Portfolio Playbook™ is an MGIC trademark.

