



## WealthBuilder Pro Product Description

Program ID #2386



**WealthBuilder 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>2</sup>	Min. Reserves (Number of Months' PITI)	Min. Borrower's Own Funds
Purchase, Construction-Permanent <sup>3</sup> , Home Improvement	1-Unit Detached, Attached, Condominium, PUDs	100%/105%	\$1,149,825	700	43%	2	Greater of \$1,000 or 1%
		100%/105%	\$766,550 <sup>1</sup>	680	43%	2	Greater of \$1,000 or 1%

<sup>1</sup>Maximum must not exceed the [FHFA published conforming loan limit](#) for the specific county of the subject property.

<sup>2</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.

### Eligible Origination Channels

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

### Documentation

Complete Origination File documents (UWG 1.06.02).

### Underwriting Options

**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.

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



**WealthBuilder Pro** Product Description

Program ID #2386

Page 2

**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%	42%, 40%, 35%, 33%, 31%, 30%, 28%, 26%, 25%, 23%, 20%, 18%, 17%, 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 (3.12.01)
- The non-occupant co-borrower’s credit will be considered for eligibility and premium pricing
- The non-occupant co-borrower assets will be considered after occupying borrower meets own funds requirements (3.10.01)
- The non-occupant co-borrower may not be an interested party (e.g., seller, builder, real estate agent)

**LTV/CLTV (UWG 3.05.01)**

- Minimum 97.01% LTV

**Loan Purpose (UWG 3.06)**

- See eligible loan purposes in the eligibility matrix on page 1
- **Ineligible:**
  - Rate/term refinance transactions
  - Cash-out refinance transactions
  - <sup>3</sup>Construction-Permanent transactions: Attached, condominium, co-op
  - Home Equity Line of Credit (HELOC) transactions

**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
- Minimum adjustment period: 6 months
- **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.



Adjustable-Rate Mortgages (ARMs) (UWG 3.08.02)					
Initial Fixed Period	Adjustment Frequency	Rate Adjustment Caps			Qualifying Rate
		Max. 1st Adjustment	Max. Subsequent Adjustments	Lifetime Cap	
5 years	≥ 6 months	6%	6%	6%	Greater of Note Rate + 2% or FIAR
> 5 years	≥ 6 months	6%	6%	6%	Note Rate

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

**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 ≥ 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

**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
- Minimum adjustment period: 6 months
- **Ineligible: Funds provided by any interested party to the transaction**

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

- Maximum contribution: 3%

**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
- **Ineligible: When no borrower has a valid credit score**

## WealthBuilder Pro Product Description

Program ID #2386

Page 4

### 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

### 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 (3.13.01)
  - 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**

### 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

Portfolio Playbook™ and WealthBuilder Pro™ are MGIC trademarks. Community Seconds® is trademark of Fannie Mae. Affordable Seconds® is a trademark of Freddie Mac.