



Community Pro Product Description

Program ID #4881



Community 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.

Our Community Lending program is exclusively for loans originated and closed as part of a community lending first-mortgage program. A community lending program is one that employs income limits, geographic targeting (regardless of income) or both in order to concentrate lending activity on under-served borrowers and communities.

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.

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 ³	Min. Reserves (Number of Months' PITI)	Min. Borrower Contribution
Purchase, Rate/ Term Refinance, Construction- Permanent ⁴ , Home Improvement	1-Unit Detached, Attached, Condominiums, PUDs, Co-Ops	97%/105%	FHFA high-cost max ¹	660	45%	2	1%
	2-Unit	95%/105%	FHFA high-cost max ¹	680	45%	2	3%
	1-Unit Manufactured Homes (See Property Type section on page 4)	95%/95%	FHFA baseline conforming limit ²	660	45%	2	1%
	3-4 Unit	90%/90%	FHFA baseline conforming limit ²	720	45%	6	5%

¹Maximum must not exceed the FHFA published conforming loan limit for the specific county of the subject property.

²Up to FHFA published baseline limit, including AK and HI, regardless of FHFA county loan limit for the subject property.

³When 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).



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Underwriting Options

Loan amount ≤ \$1,149,825:

- 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 > \$1,149,825:

- 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.

Mortgage Insurance Premium Plans

- Borrower-Paid: Monthly, Single, Annual, Split, Choice Monthly
- Lender-Paid: Monthly, Single

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

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

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 and assets for qualifying purposes; after occupying borrower’s assets meet the own funds requirement in 3.10.01, non-occupant co-borrower’s assets may be considered
- 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:
 - Cash-out refinance transactions
 - ⁴Construction-Permanent transactions: Attached, condominium, co-op, 3-4 unit properties
 - Home Equity Line of Credit (HELOC) transactions

Loan Type and Terms (UWG 3.08)

- Maximum term: 40 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



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.

Interest Rate Buydown (Temporary) (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	1%	1	95%	2%-1%
		2	90%	3%-2%-1%
			95%	2%-1%

- 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: Cash-out refinance transactions**

Borrower's Own Funds (UWG 3.10.01)

- Minimum from the borrower's own funds toward down payment, closing costs, prepaids and reserves:
 - 1 unit – 1%
 - Gifts can apply toward the 1%: Maximum DTI, 41%; credit score ≥ 720; see UWG 3.10.04b
 - 2 units – 3%
 - **3-4 units – 5%**

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 an interested party**

Interested Party Contributions (IPCs) (3.10.04c)

- Maximum contribution:
- > 90% LTV/CLTV – 3%
 - ≤ 90% LTV/CLTV – 6%

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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: \$1,149,825**
 - Maximum LTV: 90%
- Collections and non-mortgage charge-offs may remain unpaid at closing up to \$250 per account and \$1,000 aggregate

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)

- 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, condo, co-op, 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 (UWG 3.13.01)
 - **Maximum loan amount: \$1,149,825**
 - 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 ≤ \$1,149,825 – A Uniform Residential Appraisal Report (URAR)**
- **Loan amount > \$1,149,825 – 2 independent URARs or 1 independent URAR plus an appraiser-provided field review supporting its value**

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