

# MGIC SPECIAL MARKET UNDERWRITING GUIDE

Updated Oct. 29, 2018

We continuously monitor market conditions nationwide. At any given time, individual market conditions may require consideration that expands or limits the Underwriting Requirements we publish in our Underwriting Guide. We publish these requirements in this guide. A loan secured in a “Special Market” is subject to these Underwriting Requirements. Special Market Underwriting Requirements are subject to change.

Throughout this document, we will refer you to supporting information in our Underwriting Guide. For example, (UWG 3.06) means you will find additional details, including documentation requirements, in Section 3, subsection 6, of the Guide. See our Underwriting Guide for full definitions, details and documentation requirements, [mgic.com/uwguide](http://mgic.com/uwguide).

We've indicated new content in green type.

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## Summary of changes

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- Page 2
  - We address guidance for FEMA-declared disaster areas resulting from Hurricane Michael

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State/Territory and Applicable Counties	Special Market Underwriting Requirements
FEMA-declared disaster areas	<b>Hurricane Michael – effective Oct. 29, 2018</b>
	<p>We've extended maximum age of appraisal and all other documentation from 120 days to 180 days, subject to the following:</p> <ul style="list-style-type: none"> <li>• The home must be located in a FEMA-declared disaster area</li> <li>• The loan application must be dated on or before (or the loan closing dated after) Oct. 14, 2018</li> <li>• For employed borrowers, complete a verbal verification of employment within 10 days prior to the loan closing date</li> <li>• For self-employed borrowers, complete a verification of business existence within 120 days prior to the loan closing date</li> </ul>
	<b>Hurricane Florence – effective Sept. 21, 2018</b>
	<p>We've extended maximum age of appraisal and all other documentation from 120 days to 180 days, subject to the following:</p> <ul style="list-style-type: none"> <li>• The home must be located in a FEMA-declared disaster area</li> <li>• The loan application must be dated on or before (or the loan closing dated after) Sept. 14, 2018</li> <li>• For employed borrowers, complete a verbal verification of employment within 10 days prior to the loan closing date</li> <li>• For self-employed borrowers, complete a verification of business existence within 120 days prior to the loan closing date</li> </ul>

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State/Territory and Applicable Counties	Special Market Underwriting Requirements					
<b>Alaska – Entire state</b>	<b>Standard Loans – Primary Residence</b>					
	Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Purchase, Rate/Term Refinance, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums, Co-Ops	1	97%	\$700,000	660
	<b>Standard Loans – Second Home</b>					
	Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Purchase, Rate/Term Refinance, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums, Co-Ops, Manufactured Homes	1	90%	\$700,000	700
	<b>Standard Loans – Investment Property</b>					
	Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
	Purchase	Detached	1	85%	\$700,000	720
	<b>Guam - Entire territory</b>	<b>MGIC Go! Loans – DU Approve/ELIGIBLE or Loan Product Advisor Accept/ELIGIBLE Response</b>				
Ineligible: Co-ops, manufactured homes, second homes, 2- to 4-unit primary residences						
<b>MGIC Go! Loans – DU Approve/INELIGIBLE or Loan Product Advisor Accept/INELIGIBLE Response due to LTV or loan type</b>						
DTI Ratio: 45% Total DTI						
Ineligible: Co-ops, manufactured homes, second homes, 2- to 4-unit primary residences						
<b>Standard Loans – Primary Residence</b>						
Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score	
Purchase, Rate/Term Refinance, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums	1	95%	\$475,000	680	
Ineligible: Co-ops, manufactured homes, second homes, 2- to 4-unit primary residences; cash-out refinance						

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State/Territory and Applicable Counties      Special Market Underwriting Requirements

**Hawaii – Entire state**

**Standard Loans – Primary Residence**

Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
Purchase, Rate/Term Refinance, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums, Co-Ops	1	97%	\$700,000	660

Condominium projects are eligible with an investor concentration up to 49%.

**Standard Loans – Second Home**

Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
Purchase, Rate/Term Refinance, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums, Co-Ops, Manufactured Homes	1	90%	\$700,000	700

**Standard Loans – Investment Property**

Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
Purchase	Detached	1	85%	\$700,000	720

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State/Territory and Applicable Counties

Special Market Underwriting Requirements

**Puerto Rico – Entire territory**

## MGIC Go! Loans – DU Approve/ELIGIBLE or Loan Product Advisor Accept/ELIGIBLE Response

Occupancy	Loan Purpose	Units	Max. LTV/CLTV	Min. Credit Score
Primary Residence	Purchase, Construction-Permanent	1	95%	700
		2	95%	700
	Rate/Term Refinance, Construction-Permanent	1	90%	700
		2	90%	700
Second Home	Purchase, Rate/Term Refinance, Construction-Permanent	1	90%	700

Submission Options: MGIC MI Underwrite/Full-Doc Review (UWG 1.05.03)

Loan Type: Fully amortizing ARM with an initial term of 5 years or more

Property Type:

- Condominiums must meet all MGIC project requirements
  - Condominiums must have separate rooms for living and sleeping
  - All condominium units must have at least 1 owned or assigned parking space, or condominium projects must have at least 1 parking space per unit
- All properties must be constructed using reinforced concrete walls and concrete slabs
- Minimum 500 square feet of living area for attached housing units
- **Ineligible: Manufactured homes, nonwarrantable projects, investment properties, 3- to 4-unit properties, co-ops, wood-and-zinc properties; studio or efficiency apartments**

Borrower Contribution:

- Primary residence: Minimum 3% borrower's own funds
- Second home: Minimum 10% borrower's own funds

DTI Ratio: 45% Total DTI

Maximum MI coverage: 95% LTV, 30%; 90% LTV, 25%; 85% LTV, 12%

Program Notes:

- Ineligible: Fannie Mae high-balance loans, Freddie Mac super conforming loans

## Standard Loans – Primary Residence

Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
Purchase, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums	1	95%	\$475,000	700
			90%	\$650,000	700
2		95%	\$650,000	700	
		90%	\$650,000	700	
Rate/Term Refinance, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums	1	90%	\$650,000	700
			90%	\$650,000	700
2		90%	\$650,000	700	
		90%	\$650,000	700	

Submission Options: MGIC MI Underwrite/Full-Doc Review (UWG 1.05.03)

Loan Type:

- Fully amortizing ARM with an initial term of 5 years or more and a maximum initial cap of 5%
- Temporary buydown

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State/Territory and  
Applicable Counties

Special Market Underwriting Requirements

**Puerto Rico – Entire territory**

## Standard Loans – Primary Residence – *continued*

Loan Purpose: **Ineligible: Cash-out refinance**

Property Type:

- Condominiums must meet all MGIC project requirements
  - Condominiums must have separate rooms for living and sleeping
  - All condominium units must have at least 1 owned or assigned parking space, or condominium projects must have at least 1 parking space per unit
- All properties must be constructed using reinforced concrete walls and concrete slabs
- Minimum 500 square feet of living area for attached housing units
- **Ineligible: Manufactured homes, investment properties, co-ops, wood-and-zinc properties; studio or efficiency apartments**

DTI Ratio: 45% Total DTI

Maximum MI coverage: 95% LTV, 30%; 90% LTV, 25%; 85% LTV, 12%

## Standard Loans – Second Homes

Loan Purpose	Property Type	Units	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score
Purchase, Rate/Term Refinance, Construction-Permanent, Home Improvement	Detached, Attached, Condominiums	1	90%	\$475,000	700

Submission Options: MGIC MI Underwrite/Full-Doc Review (UWG 1.05.03)

Loan Type:

- Fully amortizing ARM with an initial term of 5 years or more
- Temporary buydown

Property Type:

- Eligible properties must:
  - Be a reasonable distance from the borrower's primary residence
  - Be located in a resort or recreational area
- Condominiums must meet all MGIC project requirements
  - Condominiums must have separate rooms for living and sleeping
  - All condominium units must have at least 1 owned or assigned parking space, or condominium projects must have at least 1 parking space per unit
- All properties must be constructed using reinforced concrete walls and concrete slabs
- Minimum 500 square feet of living area for attached housing units
- **Ineligible: Manufactured homes, investment properties, co-ops, wood-and-zinc properties; studio or efficiency apartments**

Borrower Contribution: Minimum 10% borrower's own funds toward the down payment, closing costs, prepaids and reserves

Seller/Builder Contribution: Maximum contribution: 3%

DTI Ratio: 45% Total DTI

Maximum MI coverage: 95% LTV, 30%; 90% LTV, 25%; 85% LTV, 12%