

Announcing increases to maximum LTVs and loan amounts, decreases to minimum credit scores and additional updates to our Standard Underwriting Requirements

The following underwriting changes are effective with MI applications we receive on or after Feb. 17, 2017. We've updated our [Underwriting Guide](#) and summaries to reflect the underwriting updates.

National – Primary Residence (UWG 3.02.01a)	
97% LTV 1-unit properties	<ul style="list-style-type: none"> We increased the maximum loan amount from \$450,000 to \$650,000 with a minimum credit score of 720 We decreased the minimum credit score from 680 to 660 for loan amounts ≤ \$450,000
\$650,000 1-unit properties	<ul style="list-style-type: none"> We decreased the minimum credit score from 700 to 680 for a 95% LTV/CLTV
National – Primary Residence, Loan Amount > \$650,000 (UWG 3.02.01c)	
Loan amount > \$650,000 1-unit properties	<ul style="list-style-type: none"> We increased maximum LTVs and loan amounts: <ul style="list-style-type: none"> 95% LTV/CLTV with a maximum loan amount of \$850,000 and minimum credit score of 720 90% LTV/CLTV with a maximum loan amount of \$1,000,000 and minimum credit score of 720 85% LTV/CLTV with a maximum loan amount of \$1,500,000 and minimum credit score of 740 We decreased minimum credit score from 700 to 680 for a 90% LTV/CLTV for loan amounts ≤ \$850,000 We updated borrower contribution, reserve and DTI ratio requirements: <ul style="list-style-type: none"> Borrower Contribution - Loan amounts > \$850,000 require a minimum contribution of 10% from the borrower's own funds to be used toward the down payment, closing costs, prepaids and reserves Reserves <ul style="list-style-type: none"> Loan amounts > \$850,000 to ≤ \$1,000,000 require 9 months' PITI Loan amounts > \$1,000,000 require 12 months' PITI DTI Ratio – Total DTI for loan amounts > \$850,000 – 43%
Housing Finance Agency (HFA)/Community Lending – Primary Residence (UWG 3.02.02)	
Community lending programs	We now allow community lending programs to participate in our HFA program. We define a community lending program as one that employs income limits, geographic targeting (regardless of income) or both in order to concentrate lending activity on under-served borrowers and communities.
Minimum credit score	We decreased the minimum credit score from 680 to 660 for a 97%/105% LTV/CLTV.
Medical collections	We now allow an aggregate of up to \$1,000 in unpaid medical collections at closing.
Borrower contribution	We updated the minimum borrower contribution for 1-unit properties to 1% and removed additional limitations.

All Loans	
Rural properties (UWG 3.12.03i)	<p>We've updated requirements for rural properties with more than 20 acres:</p> <ul style="list-style-type: none"> • Land value may not exceed 50% of the total value • Maximum loan amount of \$850,000 or as determined by program
Adjustable-rate mortgages (UWG 3.04.02)	<p>We are adding 5/5 ARMs as an eligible loan product:</p> <ul style="list-style-type: none"> • Adjustment every 5 years • Maximum 5%/5%/5% caps (first adjustment cap, subsequent adjustment caps, lifetime cap) • Qualify at Note Rate plus 2%
Installment debt – student loans (UWG 3.11.04)	<p>We now allow you to exclude student loan payments from DTI with documented evidence that:</p> <ul style="list-style-type: none"> • The student loan payment will be deferred for a minimum of 12 months after closing • The borrower responsible for the debt is in one of the following professions: <ul style="list-style-type: none"> - Medical Resident - Medical Doctor - Doctor of Dental Science - Doctor of Dental Medicine or Surgery - Doctor of Optometry - Doctor of Ophthalmology - Doctor of Pediatric Medicine - Doctor of Osteopathy

Our Standard Underwriting Requirements apply to loans that are not processed through an Agency AUS or are not eligible for MGIC Go!™. Please refer to our [Underwriting Guide](#) for complete requirements.

Questions?

For more information:

- Contact your MGIC representative, mgic.com/contact
- Contact customer_service@mgic.com or 1-800-424-6442
- See our Underwriting Guide, mgic.com/guides

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