



Designed for second homes within the MGIC Portfolio Playbook™ family. For more information about additional Playbook products, contact your MGIC representative or go to 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.

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 (Second Home) | | | | | | | |
|--|--|---------------|-------------------------------|-------------------|-----------------------------|--|----------------------------|
| Loan Purpose | Property Type | Max. LTV/CLTV | Max. Loan Amount ¹ | Min. Credit Score | Max. Total DTI ² | Min. Reserves (Number of Months' PITI) | Min. Borrower Contribution |
| Purchase, Rate/ Term Refinance, Construction- Permanent, Home Improvement | 1-Unit Detached, Attached, Condominiums, PUDs, Co-Ops | 90% | \$850,000 | 720 | 45% ³ | 6 | 5% |
| | | | \$550,000 | 700 | 45% ³ | 2 | 5% |
| | 1-Unit Manufactured Homes (See Property Type section on page 3) | 90% | \$550,000 | 700 | 45% | 2 | 5% |

¹Alaska and Hawaii: Maximum loan amount, \$850,000

²When qualifying your borrower for MGIC mortgage insurance, note that we do not require you to include the mortgage insurance premium in the DTI calculation.

³DTI ratio: Nonfixed-rate/payment < 5 years – 41% Total DTI

Additional Eligibility

- Borrower must not own any other residential properties other than their primary residence
- Rental income from subject property may not be used to qualify
- **Ineligible: Properties intended for us as a group living home**

Eligible Origination Channels

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



Second Home

Product Description

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Documentation

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

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.

Mortgage Insurance Premium Plans

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

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

| LTV | 10- to 40-Year Term |
|------------|---------------------|
| 85.01%-90% | 30%, 25%, 17%, 12% |
| 80.01%-85% | 25%, 17%, 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, 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:** Cash-out refinance

Loan Type and Terms (UWG 3.08)

- Maximum term: 40 years
- Fixed-rate
- Fully amortizing ARM: Loan amounts > \$550,000 must have an initial term of 5 years or more
- Balloon with an initial term of 5 years or more
- **Ineligible:** Interest-only, GPM, scheduled neg-am, potential neg-am

Second Home

Product Description



| 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% | |
| 5 years | Annually | 6% | 2% | 6% | |
| | 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.

| 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% |

- 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, manufactured homes

Borrower's Own Funds (UWG 3.10.01)

Minimum 5% borrower's own funds toward the down payment, closing costs, prepaids and reserves

Interested Party Contributions (IPCs) (3.10.04c)

Maximum contribution: 6%

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

Second Home

Product Description

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, 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:
 - 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

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