



CONSOLIDATION REFI PRO Product Description Program ID #2469

Consolidation Refi Pro™ is an enhanced rate/term refinance product that allows payoff of a second lien with no seasoning or maximum draw restrictions.

Consolidation Refi 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.

Underwriting and documentation requirements and eligibility are specific to MGIC mortgage insurance.

Throughout this document, we'll refer you to supporting information in our Underwriting Guide. For example, (UWG 3.06) means you'll 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.

Loans must meet requirements stated below and in our Underwriting Guide Section 1 and Section 3. Consult your internal staff regarding regulatory and compliance requirements.

Changes to the previous version of this document are highlighted in **green**.

Eligibility Matrix (Owner-Occupied, Primary Residence)						
Loan Purpose	Property Type	Max. LTV/CLTV	Max. Loan Amount	Min. Credit Score	Max. Total DTI	Min. Reserves (Number of Months' PITI)
Consolidation Refinance	1-Unit Detached, Attached, Condominiums, PUDs, Co-Ops	95%	\$1,000,000	740	43%	9
			\$850,000	720	45%	6
			\$700,000	680	45%	2

Eligible Origination Channels

- Retail

Loan Purpose

- Consolidation refinance

Eligible Use of Loan Proceeds

- Payoff of an existing first mortgage lien or construction financing
- Payoff of a purchase-money or nonpurchase-money second lien regardless of:
 - Seasoning
 - The total amount of Home Equity Line of Credit (HELOC) draws within the last 12 months
- Payoff of an individual with interest in the property:
 - As the result of a divorce, separation or dissolution of a domestic partnership
 - Where the individual has had joint ownership interest in the subject property for at least 12 months prior to the date of the signed residential loan application, pursuant to an agreement
- Payoff of a land contract/contract for deed if the land contract was executed more than 12 months prior to the date of loan application
- Closing costs and prepaids
- Cash back to the borrowers or any other payee – not to exceed the lesser of \$2,000 or 2% of the new loan amount
- Excess contingency reserve must be applied to the unpaid principal balance

Continuity of Obligation

- The loan being refinanced and the title to the property are in the name of a natural person, who:
- Is also obligated on the new loan and
 - Has had an ownership interest in the subject property for at least 6 months

Documentation

- Complete Loan Origination File (UWG 1.06.03); see UWG 3.01 for Agency AUS documentation efficiencies
- Rural property – A Uniform Residential Appraisal Report (URAR), including interior and exterior inspections, all addenda, attachments, schedules, photographs and other information included by the appraiser

Credit (UWG 3.10.02)

- Use the lowest of all Borrower Indicator Scores – the lower of 2 or middle of 3 valid credit scores for each borrower. See UWG 3.10.02.
- **Ineligible: When no borrower has a valid credit score (UWG 3.10.02b)**

Property Type (UWG 3.12.04)

- Rural property (UWG 3.12.04i)
 - The property is located in an area with low population density, some distance from urban centers, with large acreages and minimal community services
 - Primary use must be residential
 - Income from the subject property is not eligible for qualification
 - Properties with more than 20 acres:
 - **Maximum loan amount – \$850,000**
 - Land value may not exceed 50% of the total value
 - Require an MGIC MI Underwrite/Full-Doc Review (UWG 1.06.03)
- **Ineligible: 2- to 4-unit properties, manufactured homes, properties located in Guam and Puerto Rico**

Student Loans (UWG 3.11.04)

- Student loans (deferred, forbearance or repayment):
- Use the verified monthly payment from the credit report or other documentation, including the income-based repayment (IBR) approval letter
 - If the monthly payment is not verified on the credit report or other documentation, use 1% of the outstanding loan balance
 - You may exclude student loan payments from the total monthly obligation under the following conditions:
 - Payment will be deferred for a minimum of 12 months after the loan closing date, and
 - The borrower responsible for the debt is in one of the following professions:
 - 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

Loan Type (UWG 3.04)

- Fixed-rate
- Fully amortizing ARM with an initial term ≥ 5 years
- Balloon with an initial term ≥ 5 years
- Temporary buydown with an initial term ≥ 5 years.
- **Ineligible: Interest-only, GPM, scheduled neg-am, potential neg-am**

Eligible Product Terms (UWG 3.04)

Fixed-Rate	Nonfixed-Rate
40-year	5/1 ARM
30-year	5/5 ARM
20-year	7/1 ARM
15-year	10/1 ARM
10-year	
Balloon with an initial term ≥ 5 years	

Note: Products are fully amortizing with customizable terms between 10 and 40 years.

Temporary Buydowns (UWG 3.04.04)

Units	LTV/CLTV	Max. Buydown	Max. Annual Increase
1	90.01%-95%	2%-1%	1%
	≤ 90%	3%-2%-1%	1%

- Qualification:
 - Fixed-rate, balloon or ARM with an initial term > 5 years – Use note rate
 - ARM with an initial term of 5 years – Use note rate +2%

ARM Details (UWG 3.04.02)

Products	Max. 1st Adjustment (after)		Subsequent Adjustments		Lifetime Cap	Qualify at
	Rate	Term	Rate	Frequency		
5/1 ARM	6%	5 years	2%	Annually	6%	Note Rate +2%
5/5 ARM	6%	5 years	6%	Every 5 years	6%	Note Rate +2%
7/1 ARM	6%	7 years	2%	Annually	6%	Note Rate
10/1 ARM	6%	10 years	2%	Annually	6%	Note Rate

Note: Index must be publicly available and beyond lender control (e.g., LIBOR, COFI, CMT).

Mortgage Insurance Premium Plans

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

Mortgage Insurance Coverage

See our Rate Finder for additional coverage levels, mgic.com/ratefinder.

LTV	10- to 40-Year Term
90.01%-95%	35%, 30%, 25%, 18%, 16%
85.01%-90%	30%, 25%, 17%, 12%
80.01%-85%	25%, 17%, 12%, 6%

Mortgage Insurance Submission Options (UWG 1.06)

Loan amount ≤ \$850,000:

- Delegated MI Underwrite
 - Submit data-only files via the Loan Center, your LOS or other electronic data interface
- MGIC MI Underwrite
 - Submit documents with your MGIC Insurance Application via the Loan Center or other document-delivery service, fax or courier. Upon viewing documents you submit, we may request additional documentation
- MGIC MI Underwrite/Full-Doc Review
 - Submit a complete Loan Origination File via the Loan Center or other document delivery service, fax or courier

Loan amount > \$850,000:

- MGIC MI Underwrite/Full-Doc Review
 - Submit a complete Loan Origination File via the Loan Center or other document delivery service, fax or courier

Certain underwriting features may restrict submission options. See our Underwriting Guide, mgic.com/uwguide, for details.