

# CMG GUIDELINES

## EZ PURCHASE & EZ REFI PROGRAM

### PROGRAM CRITERIA

- Loan must be currently insured by CMG
- Originating credit union must hold current mortgage
- Current mortgage must be seasoned 12 months for purchase transactions

### LTV/LOAN AMOUNT

Maximum loan amounts equal to published Fannie Mae and Freddie Mac conforming loan limits: available at [www.efanniemae.com](http://www.efanniemae.com), [www.freddiemac.com](http://www.freddiemac.com) or via AllRegs

#### Purchase

- LTV may not exceed that of current insured residence
- Maximum LTV to 97%

#### Refinance

- Primary Residence – Maximum LTV to 97%
- Second Home – Maximum LTV to 95%
- New loans may include reasonable and customary closing costs; maximum of 2% cash back or \$2,000 to borrower, whichever is less

### OCCUPANCY

#### Purchase

- Owner-occupied primary residence only
- Non-occupant co-borrowers not allowed

#### Refinance

- Refinance – Owner-occupied and second home
- Non-occupant co-borrowers allowed only if on prior insured mortgage

### LOAN TYPE

Loan type must be submitted as a fixed rate **or** submitted as same loan type as on previous loan

- Fixed rate, fixed payment fully amortized over term
- Positively amortizing ARMs
  - Annual caps not to exceed 2% and lifetime cap not to exceed 6%
- Potential or scheduled negative amortizing ARMs not eligible
- Balloon Term  $\geq$  5 years
- Maximum 40 year loan

### INTEREST ONLY

- Fixed rate and ARMs with a fixed period of  $\geq$  3 years
- Interest only period will be a maximum of 15 years
- Interest only not available on manufactured homes

### LOAN PURPOSE

- Purchase
- Rate/Term Refinance
  - New loans may include reasonable and customary closing costs; maximum of 2% cash back or \$2,000 to borrower, whichever is less
  - Second Homes - no cash out or secondary financing in prior 12 months for LTV of 95%

### TEMPORARY BUYDOWNS

#### Owner-Occupied

- Maximum 95% LTV
- 3,2,1 on 90% LTV fixed rate mortgages and  $>$  5/1 ARMs
- 2,1 on 95% LTV fixed rate mortgages and  $>$  3/1 ARMs
- 1,0 on 90% LTV 1 year ARMs

#### Second Home

- Not allowed

### SUBORDINATE FINANCING

#### Purchase

- Not eligible

#### Refinance

- Eligible with no seasoning requirement

### INCOME LIMITS

- None

### CREDIT/MORTGAGE PAYMENT HISTORY

Eligibility is not based on current credit scores, however must meet the following requirements:

#### Purchase

- No mortgage lates  $\geq$  30 days in the previous 12 months
- Credit quality cannot have deteriorated since qualifying for current mortgage

#### Refinance

- Mortgage and mortgage insurance payments must both be current

### DEBT-TO-INCOME RATIOS

#### Purchase

- Ratios not considered for qualification UNLESS one of the following occurs:
  - New mortgage balance is greater than 150% of current mortgage's original balance
- OR**
- FICO score has decreased

If one of the above occurs, ratio requirement is 35%/45%

#### Refinance

- If paying off junior lien seasoned less than 12 months, then 25% maximum PITI increase will be allowed for no ratio re-qualification; if re-qualified, standard ratios of 35%/45% will apply

### ELIGIBLE PROPERTIES

#### Owner-Occupied

- 1-unit properties: includes single-family attached or detached, condominiums ( $\leq$  4 stories), and manufactured homes



CUNA MUTUAL GROUP

CMG Mortgage Insurance Company

A Risk Retainer between PMI Mortgage Insurance Co. and CUNA Mutual Group

# EZ PURCHASE & EZ REFI PROGRAM (cont'd)

- Manufactured homes must meet Fannie Mae/Freddie Mac property eligibility criteria available at [www.efanniemae.com](http://www.efanniemae.com), [www.freddiemac.com](http://www.freddiemac.com) or via AllRegs
- 2-unit properties (maximum 95% LTV)
- 3-4 unit properties (maximum 90% LTV)
- Cooperative Housing units subject to Cooperative Master Policy filed in state (maximum 90% LTV)
- Condominiums (> 4 stories), timeshare/interval ownership, mixed use, builder inventory and spec homes are ineligible

## Second Home

- 1-unit properties: includes single-family attached or detached, condominiums (< 4 stories), and manufactured homes
  - Manufactured homes must meet Fannie Mae/Freddie Mac property eligibility criteria available at [www.efanniemae.com](http://www.efanniemae.com), [www.freddiemac.com](http://www.freddiemac.com) or via AllRegs

## **SOURCE OF DOWN PAYMENT**

### Purchase

- Verification of assets not required
- Funds used to close the loan cannot be borrowed

### Refinance

- N/A

## **CLOSING COSTS AND PREPAIDS**

### Purchase

- Maximum 3% seller/third party contribution toward closing costs on LTV > 90%
- Maximum 6% seller/third party contribution toward closing costs on LTV ≤ 90

## Refinance

- Reasonable and customary closings costs

## **CASH RESERVES**

- None required

## **CMG APPLICATION TYPE**

### Purchase

- CMG EZ Application
- CMG Delegated
  - Currently, purchase transactions are not available for submission via e-cmgmi

### Refinance

- CMG Instant Refinance Application form
- CMG Delegated
- Loans may be submitted via e-cmgmi, CMG's Web-based delegated origination system. "Streamline Refinance" must be selected as the loan program. Loans may be submitted at [www.e-cmgmi.com](http://www.e-cmgmi.com)

**Note:** Any applications submitted to the local underwriting office must clearly indicate "EZ Purchase" or "EZ Refi" on the mortgage insurance application

## **CMG COVERAGES AND PREMIUMS**

- Refer to CMG's rate cards at [www.cmgmi.com](http://www.cmgmi.com); surcharges may apply
- When using CMG Single Premium, the LTV cannot exceed 103%, even with the premium financed

