

CMG MI
Program Guideline
Updates
Effective July 1, 2008



CMG Mortgage Insurance Company
A Joint Venture between PMI Mortgage Insurance Co. and
CUNA Mutual Investment Corporation

CMG MI Conforming & Non-Conforming Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Distressed Markets Policy	Please refer to CMG MI's Distressed Markets Policy to determine if the property is subject to further guideline restrictions.	This policy applies to applications received on or after April 14, 2008. Please refer to the Distressed Markets Policy guidelines.
Automated Approvals	<ul style="list-style-type: none"> • All Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations must meet CMG Mortgage Insurance Company's ("CMG MI") Conforming and Non-Conforming Program Guidelines. 	<ul style="list-style-type: none"> • All Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations must meet CMG Mortgage Insurance Company's ("CMG MI") Conforming and Non-Conforming Program Guidelines, unless specifically stated otherwise within our guidelines. • Loans receiving DU EA I with an LTV of 100% are not eligible for delivery via the CMG MI delegated channel. They must be submitted to a CMG MI underwriting office for review. • Regardless of the credit score, the maximum LTV is 97% for loans receiving DU EA II or III, Refer with Caution, Refer with Caution IV, LP Caution, Caution A-Minus or an equivalent. • All other automated underwriting systems' decisions not previously stated above must meet the CMG MI Conforming and Non-Conforming Program Guidelines.
LTV/Loan Amount	<ul style="list-style-type: none"> • Owner-Occupied <ul style="list-style-type: none"> ◦ 100% LTV to \$550,000 - Minimum 700 loan representative credit score ◦ 97% LTV to \$600,000 - Minimum 700 loan representative credit score ◦ 95% LTV to \$650,000 ◦ 90% LTV to \$750,000 ◦ 85% LTV to \$850,000 • Second Home <ul style="list-style-type: none"> ◦ 95% LTV to \$650,000 • Investment Property <ul style="list-style-type: none"> ◦ 90% LTV to \$650,000 	<ul style="list-style-type: none"> • Owner-Occupied <ul style="list-style-type: none"> ◦ 100% LTV to \$550,000 ◦ 95% LTV to \$650,000 ◦ 90% LTV to \$750,000 ◦ 85% LTV to \$850,000 • Second Home <ul style="list-style-type: none"> ◦ 95% LTV to \$650,000 • Investment Property <ul style="list-style-type: none"> ◦ 90% LTV to \$650,000

CMG MI Conforming & Non-Conforming Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Loan Type	Ineligible: Potential Negative Amortization, Scheduled Negative Amortization, and Option Payment Mortgages	<ul style="list-style-type: none"> • Potential Negative Amortizing ARM - Maximum 90% LTV - Minimum 660 credit score - Owner-Occupied only - 1-2 units only - Maximum 115% negative amortization - Ineligible: Manufactured Homes, Cooperative Housing Units (Co-ops), 3-4 units, Investment Properties, Balloon Mortgages, and Temporary Buydowns • Option Payment Mortgage - Maximum 90% LTV - Minimum 660 credit score - Owner-Occupied only - 1-2 units only - Ineligible: Manufactured Homes, Co-ops, 3-4 units, Investment Properties, Balloon Mortgages, and Temporary Buydowns • Ineligible: Scheduled Negative Amortization
Interest Only	<ul style="list-style-type: none"> • Maximum 95% LTV • Minimum 680 loan representative credit score • Fixed rate and ARMs with a fixed period of ≥ 5 years • Interest only period must be a maximum of 15 years • 1-2 units only • Ineligible: Manufactured Homes, 3-4 units, Investment Properties, Balloon Mortgages, Temporary Buydowns, and Cash-Out Refinances 	<ul style="list-style-type: none"> • Fixed rate and ARMs with a fixed period of ≥ 3 years • Interest only period must be a maximum of 15 years • 1-2 units only • Ineligible: Manufactured Homes, 3-4 units, Balloon Mortgages, Temporary Buydowns, Potential Negative Amortization, Investment Properties, Cash-Out Refinances, and Option Payment Mortgages
Temporary/Permanent Buydowns	Ineligible: Cash-Out Refinances, Second Homes, Investment Properties, and Interest Only	Ineligible: Cash-Out Refinances, Second Homes, Investment Properties, Interest Only, Potential Negative Amortization, and Option Payment Mortgages
Subordinate Financing		Ineligible: Potential Negative Amortization and Option Payment Mortgages

CMG MI Conforming & Non-Conforming Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Loan Purpose	<p>Rate/Term Refinance – used to pay off an existing first lien, including reasonable and customary closing costs; pay off of a subordinate lien that is seasoned at least 12 months; maximum cash back to the borrower of 2% of loan amount or \$2,000, whichever is less</p> <ul style="list-style-type: none"> • Second Homes ◦ No Cash-Out or secondary financing in prior 12 months for 95% LTV 	<p>Rate/Term Refinance – used to pay off an existing first mortgage and may include reasonable and customary closing costs; maximum cash back to the borrower of 2% of loan amount or \$2,000, whichever is less</p> <ul style="list-style-type: none"> • Second Homes <ul style="list-style-type: none"> ◦ No Cash-Out or secondary financing in prior 12 months for 95% LTV
	<p>Cash-Out Refinance – loan where the proceeds exceed the outstanding principal balance of existing lien plus reasonable and customary closing costs; pay off or subordinate a lien which is seasoned less than 12 months whether or not the borrower received any cash from the transaction; all debt consolidation is treated as Cash-Out; property should not have been listed for sale in the last 90 days</p> <ul style="list-style-type: none"> • Owner-Occupied <ul style="list-style-type: none"> ◦ Maximum 95% LTV - Minimum 680 loan representative credit score - Maximum \$50,000 Cash-Out ◦ Maximum 90% LTV <ul style="list-style-type: none"> - Minimum 660 loan representative credit score - Maximum \$50,000 Cash-Out • Ineligible: Second Home and Investment Property 	<p>Cash-Out Refinance – loan where the proceeds exceed the outstanding principal balance of existing lien plus reasonable and customary closing costs; all debt consolidation is treated as Cash-Out; property should not have been listed for sale in the last 90 days</p> <ul style="list-style-type: none"> • Owner-Occupied <ul style="list-style-type: none"> ◦ Maximum 95% LTV - Minimum 680 credit score - Maximum \$50,000 Cash-Out ◦ Maximum 90% LTV <ul style="list-style-type: none"> - Minimum 660 credit score - Maximum \$150,000 Cash-Out • Second Home <ul style="list-style-type: none"> ◦ Maximum 90% LTV - Minimum 660 credit score - Maximum \$150,000 Cash-Out • Investment Property <ul style="list-style-type: none"> ◦ Maximum 85% LTV - Minimum 660 credit score - Maximum \$150,000 Cash-Out

CMG MI Conforming & Non-Conforming Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Credit History		<ul style="list-style-type: none"> • Loans with LTVs greater than 97% and a loan representative credit score less than 660 without a DU or LP recommendation are not eligible for delivery via the CMG MI delegated channel and must be submitted to a CMG MI underwriting office for review • Traditionally established credit is required for LTVs greater than 95%
Nontraditional Credit	Loans with nontraditional credit are not eligible for delivery via the CMG MI delegated channel. They must be submitted to a CMG MI underwriting office for review.	

CMG MI Conforming & Non-Conforming Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
	<p>Borrower must have a minimum equity or down payment from their own funds as follows:</p> <ul style="list-style-type: none"> • LTV > 97% <ul style="list-style-type: none"> o Minimum \$500 own funds • LTV > 95% - 97% <ul style="list-style-type: none"> o Minimum 3% own funds • LTV ≤ 95% <ul style="list-style-type: none"> o Owner-Occupied <ul style="list-style-type: none"> - Loan representative credit score ≥ 680, minimum 3% own funds - Loan representative credit score 620-679, minimum 5% own funds o Second Homes <ul style="list-style-type: none"> - Minimum 5% own funds o Investment Properties <ul style="list-style-type: none"> - Minimum 10% own funds 	<p>Borrower must have a minimum equity or down payment from their own funds as follows:</p> <ul style="list-style-type: none"> • LTV > 97% <ul style="list-style-type: none"> o None • LTV > 95% - 97% <ul style="list-style-type: none"> o 3% • LTV ≤ 95% <ul style="list-style-type: none"> o 5% for Owner-Occupied/Second Homes o 10% for Investment Properties
Minimum Down Payment	<p>Additional funds for down payment, closing costs, and prepaid escrow may be from any of the following sources:</p> <ul style="list-style-type: none"> • Gift, grant, or down payment assistance from a family member not related to the transaction, a nonprofit charitable organization (non-Nehemiah), government agency, or borrower's employer • Unsecured installment loans may only be from an extended family member who is not a party to the transaction (maximum 2% of purchase price) • Non-real estate secured loan; terms of the note must be verified and should reflect the borrower's assets used as security (maximum 2% of purchase price) • Subordinate financing with grant-like features 	

CMG MI Conforming & Non-Conforming Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Cash Reserves	<ul style="list-style-type: none"> • Owner Occupied/Second Homes <ul style="list-style-type: none"> - Minimum 2 months' PITI • Investment Properties <ul style="list-style-type: none"> - Minimum 6 months' PITI • Reserves cannot be proceeds from subject mortgage 	<ul style="list-style-type: none"> • If loan is submitted through DU or LP, reserves can be determined by DU or LP recommendations • Reserves may be waived if credit score is 720 or greater • Reserves cannot be proceeds from subject mortgage • Owner Occupied/Second Homes <ul style="list-style-type: none"> - Minimum 2 months' PITI • Investment Properties <ul style="list-style-type: none"> - Minimum 6 months' PITI
Eligible Properties	<p>Owner-Occupied</p> <ul style="list-style-type: none"> • Manufactured homes <ul style="list-style-type: none"> o Maximum 95% LTV o Must meet Fannie Mae/Freddie Mac property eligibility criteria available at www.efanniemae.com, www.freddie.com, or via AllRegs® 	<p>Owner-Occupied</p> <ul style="list-style-type: none"> • Manufactured homes must meet Fannie Mae/Freddie Mac property eligibility criteria available at www.efanniemae.com, www.freddie.com, or via AllRegs®
Multiple Loans to a Borrower	<ul style="list-style-type: none"> • CMG MI will insure up to 3 loans to a borrower with a maximum risk exposure of \$300,000 (maximum risk exposure defined as aggregate of original loan amount x percent of MI coverage) • Within the 3 loans to a borrower limit, CMG MI will only accept the maximum amount on the following: <ul style="list-style-type: none"> - Primary Home – 1 loan maximum - Second Home – 1 loan maximum - Investment Property – 1 loan maximum 	<ul style="list-style-type: none"> • CMG MI will insure up to 4 loans to a borrower with a maximum risk exposure of \$350,000 (maximum risk exposure defined as aggregate of original loan amount x percent of MI coverage) • Within the 4 loans to a borrower limit, CMG MI will only accept the maximum amount on the following: <ul style="list-style-type: none"> - Cash-Out Refinance – 2 loans maximum - Second Home – 1 loan maximum - Investment Property – 2 loans maximum - Limited Doc – 2 loans maximum - A-Minus - 2 loans maximum - Interest Only – 2 loans maximum - Affordable – 1 loan maximum - 100% LTV – 1 loan maximum

CMG MI Affordable Program Guidelines

DISCONTINUED - EFFECTIVE JULY 1, 2008

CMG MI A-Minus Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Distressed Markets Policy	Please refer to CMG MI's Distressed Markets Policy to determine if the property is subject to further guideline restrictions.	This policy applies to applications received on or after April 14, 2008. Please refer to the Distressed Markets Policy guidelines.
Automated Approvals	<ul style="list-style-type: none"> • All Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations must meet CMG Mortgage Insurance Company's ("CMG MI") A-Minus Program Guidelines. 	<ul style="list-style-type: none"> • All Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations must meet CMG Mortgage Insurance Company's ("CMG MI") A-Minus Program Guidelines, unless specifically stated otherwise within our guidelines. • All other automated underwriting systems' decisions not previously stated above require underwriting to the CMG MI's A-Minus Program Guidelines.
LTV/Loan Amount	<ul style="list-style-type: none"> • Owner-Occupied - 90% LTV to \$450,000 - 85% LTV to \$500,000 • Ineligible: Second Home and Investment Property 	<ul style="list-style-type: none"> • Owner-Occupied - 95% LTV to conforming loan limit - 90% LTV to \$450,000 - 85% LTV to \$500,000 • Second Home - 95% LTV to conforming loan limit - 90% LTV to \$450,000 - 85% LTV to \$500,000 • Ineligible: Investment Property
Temporary/Permanent Buydowns	<ul style="list-style-type: none"> • Owner-Occupied only 	<ul style="list-style-type: none"> • Owner-Occupied only; must receive DU Approve or LP Accept recommendation • Ineligible: Non-Conforming Loans, Cash-Out Refinances, Second Homes

CMG MI A-Minus Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Subordinate Financing	<ul style="list-style-type: none"> • Maximum CLTV cannot exceed published maximum LTV stated within the CMG MI A-Minus Program Guidelines (see LTV/Loan Amount) • Only the first mortgage will be insured by CMG MI • Rate/Term Refinance - subordinate loan to be repaid or subordinated to the new rate/term refinance mortgage and must be seasoned at least 12 months 	<ul style="list-style-type: none"> • Maximum CLTV cannot exceed published maximum LTV stated within the CMG MI A-Minus Program Guidelines (see LTV/Loan Amount) • Only the first mortgage will be insured by CMG MI • Rate/Term Refinance - subordinate loan to be repaid or re-subordinated to the new rate/term refinance mortgage and must be seasoned at least 12 months • Second Home - new subordinate lien must be fully amortized
Loan Purpose	Rate/Term Refinance - used to pay off an existing first lien, including reasonable and customary closing costs; pay off of a subordinate lien that is seasoned at least 12 months; maximum cash back to the borrower of 2% of loan amount or \$2,000, whichever is less	Rate/Term Refinance - used to pay off an existing first mortgage and may include reasonable and customary closing costs; maximum cash back to the borrower of 2% of loan amount or \$2,000, whichever is less <ul style="list-style-type: none"> • Second Homes <ul style="list-style-type: none"> ◦ No Cash-Out or secondary financing in prior 12 months for 95% LTV
	Ineligible: Cash-Out Refinance	Cash-Out Refinance - loan where the proceeds exceed the outstanding principal balance of existing lien plus reasonable and customary closing costs; all debt consolidation is treated as Cash Out; property should not have been listed for sale in the last 90 days <ul style="list-style-type: none"> • Owner-Occupied <ul style="list-style-type: none"> ◦ Maximum 90% LTV <ul style="list-style-type: none"> - 1-unit only - Maximum \$50,000 Cash-Out ◦ Maximum 85% LTV <ul style="list-style-type: none"> - 1-4 units - Maximum \$100,000 Cash-Out • Second Home <ul style="list-style-type: none"> ◦ Maximum 90% LTV <ul style="list-style-type: none"> - 1-unit only - Maximum \$50,000 Cash-Out ◦ Maximum 85% LTV <ul style="list-style-type: none"> - 1-unit only - Maximum \$100,000 Cash-Out

CMG MI A-Minus Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Eligible Borrowers	<p>Non-occupant co-borrowers are allowed only for:</p> <ul style="list-style-type: none"> • Owner-Occupied • 1-unit property • Owner-occupant borrower must qualify on their own 	<p>Non-occupant co-borrowers are allowed only for:</p> <ul style="list-style-type: none"> • Maximum 95% LTV • Owner-Occupied • 1-unit property • Owner-occupant borrower must qualify on their own
Eligible Properties	<ul style="list-style-type: none"> • CMG MI generally insures properties up to 10 acres, provided the property is residential in nature. All property types not explicitly approved below are not eligible. - 1-unit single-family attached or detached - Condominiums must be Fannie Mae/Freddie Mac warrantable - Cooperative Housing Units (Co-ops) subject to CMG MI Cooperative Master Policy filed with state Ineligible: 2-4 units, manufactured homes, timeshare/interval ownership, mixed use, builder inventory, and spec homes 	<ul style="list-style-type: none"> • CMG MI generally insures properties up to 10 acres, provided the property is residential in nature. All property types not explicitly approved below are not eligible. • Owner-Occupied - 1-unit single-family attached or detached - 2-units <ul style="list-style-type: none"> o Maximum 95% LTV - 3-4 units <ul style="list-style-type: none"> o Maximum 85% LTV - Condominiums must be Fannie Mae/Freddie Mac warrantable - Manufactured homes <ul style="list-style-type: none"> o Maximum 95% LTV o Must meet Fannie Mae/Freddie Mac property eligibility criteria available at www.efanniemae.com, www.freddiemac.com or via AllRegs® - Cooperative Housing Units (Co-ops) subject to CMG MI Cooperative Master Policy filed with state <ul style="list-style-type: none"> o Maximum 90% LTV • Timeshare/interval ownership, mixed use, builder inventory, and spec homes • Second Home - 1-unit single-family attached or detached - Condominiums generally must be Fannie Mae/Freddie Mac warrantable - Manufactured homes must meet Fannie Mae/Freddie Mac property eligibility criteria available at www.efanniemae.com, www.freddiemac.com or via AllRegs® - Ineligible: Co-ops, 2-4 units, timeshare/interval ownership, mixed use, builder inventory, and spec homes

CMG MI A-Minus Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Multiple Loans to a Borrower	<ul style="list-style-type: none"> • CMG MI will insure up to 3 loans to a borrower with a maximum risk exposure of \$300,000 (maximum risk exposure defined as aggregate of original loan amount x percent of MI coverage) • Within the 3 loans to a borrower limit, CMG MI will only accept the maximum amount on the following: <ul style="list-style-type: none"> - Primary Home – 1 loan maximum - Second Home – 1 loan maximum - Investment Property – 1 loan maximum 	<ul style="list-style-type: none"> • CMG MI will insure up to 4 loans to a borrower with a maximum risk exposure of \$350,000 (maximum risk exposure defined as aggregate of original loan amount x percent of MI coverage) • Within the 4 loans to a borrower limit, CMG MI will only accept the maximum amount on the following: <ul style="list-style-type: none"> - Cash-Out Refinance – 2 loans maximum - Second Home – 1 loan maximum - Investment Property – 2 loans maximum - Limited Doc – 2 loans maximum - A-Minus - 2 loans maximum - Interest Only – 2 loans maximum - Affordable – 1 loan maximum - 100% LTV – 1 loan maximum

CMG MI Limited Doc Program Guidelines

DISCONTINUED - EFFECTIVE JULY 1, 2008

CMG MI Construction-To-Perm Program Guidelines

<u>Guideline Topic</u>	<u>New Guidelines - Effective July 1, 2008</u>	<u>Existing Guidelines</u>
Introduction	The CMG MI Construction-To-Permanent Program is designed for borrowers with a minimum loan representative credit score of 680 who take out a loan that provides the financing for the interim construction phase and then converts it into permanent financing. If certificate of occupancy has been issued, loan is not eligible for the Construction-To-Permanent Program.	The CMG MI Construction-To-Permanent Program is designed for borrowers with a minimum loan representative credit score of 600 who take out a loan that provides the financing for the interim construction phase and then converts it into permanent financing.
Distressed Markets Policy	Please refer to CMG MI's Distressed Markets Policy to determine if the property is subject to further guideline restrictions.	This policy applies to applications received on or after April 14, 2008. Please refer to the Distressed Markets Policy guidelines.
Automated Approvals	<ul style="list-style-type: none"> • All Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations must meet CMG Mortgage Insurance Company's ("CMG MI") Construction-To-Perm Program Guidelines. 	<ul style="list-style-type: none"> • All Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations must meet CMG Mortgage Insurance Company's ("CMG MI") Construction-To-Perm Program Guidelines, unless specifically stated otherwise within our guidelines. • All other automated underwriting systems' decisions not previously stated above require underwriting to the CMG MI Construction-To-Permanent Program Guidelines.

CMG MI Construction-To-Perm Program Guidelines

Guideline Topic	<u>New Guidelines - Effective July 1, 2008</u>	<u>Existing Guidelines</u>
	Owner-Occupied • 95% LTV to \$650,000	Owner-Occupied/Second Home • 95% LTV to \$650,000 ◦ Minimum 620 credit score • 95% LTV to conforming loan limit ◦ Minimum 600-619 credit score
	Ineligible: Second Home and Investment Property	Ineligible: Investment Property
	The loan is a Refinance if: • The borrower holds title to the lot and is named as the borrower for the construction loan	The loan is a Refinance if: • The borrower holds title to the lot • The borrower is receiving cash-out from the transaction
	The loan is a Purchase if: • The acquisition of the lot occurs at the same time as the construction-to-perm or construction loan	The loan is a Purchase if: • The acquisition of the lot occurs at the same time as the construction-to-perm or construction loan • The borrower's investment in the transaction is not clear
	Acquisition costs must be determined. Acquisition costs include the cost of construction plus land value.	Acquisition costs must be determined for each home. Acquisition costs include the cost of construction plus land value.
LTV/Loan Amount	Fixed rate and ARMs with a fixed period of ≥ 5 years	Fixed rate and ARMs with a fixed period of ≥ 3 years
Interest Only	• Maximum CLTV cannot exceed published maximum LTV stated within the CMG MI Construction-to-Permanent Guidelines (see LTV/Loan Amount) • Only the first mortgage will be insured by CMG MI • Rate/Term Refinance Loans - subordinate loan to be repaid or subordinated to the new rate/term refinance mortgage and must be seasoned at least 12 months	• Maximum CLTV cannot exceed published maximum LTV stated within the CMG MI Construction-to-Permanent Guidelines (see LTV/Loan Amount) • Only the first mortgage will be insured by CMG MI • Rate/Term Refinance Loans - subordinate loan to be repaid or subordinated to the new rate/term refinance mortgage and must be seasoned at least 12 months • Second Home - new subordinate lien must be fully amortized
Subordinate Financing		

CMG MI Construction-To-Perm Program Guidelines

<u>Guideline Topic</u>	<u>New Guidelines - Effective July 1, 2008</u>	<u>Existing Guidelines</u>
Loan Purpose	Purchase	Purchase <ul style="list-style-type: none"> • Second Home o Maximum 90% LTV
	Rate/Term Refinance – used to pay off an existing first lien, including reasonable and customary closing costs; pay off of a subordinate lien that is seasoned at least 12 months; maximum cash back to the borrower of 2% of loan amount or \$2,000, whichever is less	Rate/Term Refinance – used to pay off an existing first mortgage and may include reasonable and customary closing costs; maximum cash back to the borrower of 2% of loan amount or \$2,000, whichever is less <ul style="list-style-type: none"> • Second Home o Maximum 90% LTV o No Cash-Out or secondary financing in prior 12 months
	Ineligible: Cash-Out Refinance	Cash-Out Refinance – loan where the proceeds exceed the outstanding principal balance of existing lien plus reasonable and customary closing costs; all debt consolidation is treated as Cash-Out; property should not have been listed for sale in the last 90 days <ul style="list-style-type: none"> • Owner-Occupied <ul style="list-style-type: none"> o Maximum 95% LTV - Minimum 680 credit score - Maximum \$50,000 Cash-Out o Maximum 90% LTV <ul style="list-style-type: none"> - Minimum 660 credit score - Maximum \$150,000 Cash-Out • Second Home <ul style="list-style-type: none"> o Maximum 90% LTV - Minimum 660 credit score - Maximum \$150,000 Cash-Out

CMG MI Construction-To-Perm Program Guidelines

Guideline Topic	New Guidelines - Effective July 1, 2008	Existing Guidelines
Credit History	Minimum of one credit score is required with a minimum loan representative credit score of 680, regardless of DU or LP recommendations	Minimum of one credit score is required with a minimum loan representative credit score of 600, regardless of DU or LP recommendations
Minimum Down Payment	Minimum 5% own funds	<ul style="list-style-type: none"> • Owner-Occupied - Minimum 5% own funds • Second Home - Minimum 10% own funds
Cash Reserves	<ul style="list-style-type: none"> • Minimum 2 months' PITI • Reserves cannot be proceeds from subject mortgage 	<ul style="list-style-type: none"> • Minimum 2 months' PITI • If loan is submitted through DU or LP, reserves can be determined by DU or LP recommendations • Reserves may be waived if credit score is 720 or greater • Cannot be proceeds from subject mortgage
CMG MI Mortgage Insurance	CMG MI's commitment/certificate will be issued for a period of 12 months in the construction lender's name. Upon completion of the construction, the mortgage insurance can be assigned to the end lender.	CMG MI's commitment/certificate will be issued for a period of 12 months (extensions are available for an additional 6 months) in the construction lender's name. Upon completion of the construction, the mortgage insurance can be assigned to the end lender.
Multiple Loans to a Borrower	<ul style="list-style-type: none"> • CMG MI will insure up to 3 loans to a borrower with a maximum risk exposure of \$300,000 (maximum risk exposure defined as aggregate of original loan amount x percent of MI coverage) • Within the 3 loans to a borrower limit, CMG MI will only accept the maximum amount on the following: <ul style="list-style-type: none"> - Primary Home – 1 loan maximum - Second Home – 1 loan maximum - Investment Property – 1 loan maximum 	<ul style="list-style-type: none"> • CMG MI will insure up to 4 loans to a borrower with a maximum risk exposure of \$350,000 (maximum risk exposure defined as aggregate of original loan amount x percent of MI coverage) • Within the 4 loans to a borrower limit, CMG MI will only accept the maximum amount on the following: <ul style="list-style-type: none"> - Cash-Out Refinance – 2 loans maximum - Second Home – 1 loan maximum - Investment Property – 2 loans maximum - Limited Doc – 2 loans maximum - A-Minus - 2 loans maximum - Interest Only – 2 loans maximum - Affordable – 1 loan maximum - 100% LTV – 1 loan maximum

CMG MI Distressed Markets Policy

<u>Guideline Topic</u>	<u>New Guidelines - Effective July 1, 2008</u>	<u>Existing Guidelines</u>
<p>Determination Methodology - The CMG MI Distressed Markets Policy will apply when one of the following indicators is present:</p>		<p>A declining market message from an AUS system is received; or</p>
<p>Subject Property Support - The value of the subject property must be well supported; therefore, we recommend obtaining with the origination appraisal report:</p>	<ul style="list-style-type: none"> • Two comparable sales that have closed within the 90 days prior to the effective date of the appraisal, and • Detailed explanation from the appraiser as to why property values are declining in the area and what effect falling home prices have had on the value and marketability of the subject property. 	<ul style="list-style-type: none"> • Two comparable sales that have closed within the 90 days prior to the effective date of the appraisal, and • A current listing of a comparable property to demonstrate the subject property's neighborhood is not continuing to decline, and • Detailed explanation from the appraiser as to why property values are declining in the area and what effect falling home prices have had on the value and marketability of the subject property.
<p>Implement CLTV Reduction - Once the above criteria have been considered and a valid and accurate appraised value is established, implement the LTV reduction:</p>	<ul style="list-style-type: none"> • Determine the maximum financing LTV allowed for the selected CMG MI program or product and reduce it by five percentage points (5%). - All other CMG MI guidelines based on the reduced LTV will apply. • The maximum LTV/CLTV cannot exceed 95%. 	<ul style="list-style-type: none"> • Determine the maximum financing LTV allowed for the selected program or product and reduce it by five percentage points (5%). • The maximum LTV/CLTV cannot exceed 95%.

CMG MI Distressed Markets Policy

<u>Guideline Topic</u>	<u>New Guidelines - Effective July 1, 2008</u>	<u>Existing Guidelines</u>
<p>Restrictions - Additionally, the following restrictions will apply:</p>	<ul style="list-style-type: none"> • CMG MI will <u>not</u> insure: - Loan Representative Credit Score of Less Than 620 - Nontraditional Credit - Cash-Out Refinances - Investment Properties - Limited Doc Products - Scheduled or Potential Negative Amortization - Option Payment Mortgages • LTV/CLTVs of 90.01% to 95.0% require a minimum loan representative credit score of 680. • Maximum LTV/CLTV for condominiums is 90%. • Maximum LTV/CLTV for a construction-to-perm loan is 85%. • These changes supersede previously issued CMG MI Program Variations. 	<ul style="list-style-type: none"> • The loan cannot have negative amortization or be a Payment Option Mortgage. • CMG MI will not insure limited doc products. • LTV/CLTVs of 90.01% to 95.0% require a minimum loan representative credit score of 680. • LTV/CLTVs of 90% or less require a minimum loan representative credit score of 620. • The maximum LTV/CLTV for condominiums is 90%. • The maximum LTV/CLTV for cash-out refinances is 85%. • These changes supersede previously issued CMG MI Program Variations.
<p>To determine the subject property's MSA/MSAD:</p>	<p>To determine if the property is subject to CMG MI's Distressed Markets Policy, access the CMG MI ZipMap at:</p> <ul style="list-style-type: none"> • http://www.cmgmi.com/map 	