

The CMG MI Credit Risk Bulletin

Bulletin #3-09 — April 2009



CMG Mortgage Insurance Company

Summary of Guideline Changes Effective May 15, 2009

The information below is only a summary of our guideline changes effective May 15, 2009. Complete CMG MI program guidelines are available at: www.cmgmi.com/guidelines.

CMG Mortgage Insurance Company (CMG MI) continues to evaluate the ongoing changes in today's housing market, while implementing sound policies that promote our goal of providing products that support sustainable homeownership. In an effort to respond quickly to the continued volatility in the mortgage market, we are announcing further eligibility and guideline changes for our Conforming and Non-Conforming Program and Distressed Markets List effective May 15, 2009.

Please note the following:

- Changes supersede previously issued CMG MI approved program variations
- Changes apply regardless of submission channel to CMG MI
- Changes apply regardless of any Automated Underwriting System (AUS) recommendation or decision

Changes to Conforming & Non-Conforming Program:

- **Maximum Coverage**
 - Maximum MI Coverage
 - 85% LTV – Maximum 17%
 - 90% LTV – Maximum 25%
 - 95% LTV – Maximum 30%
- **Loan Amount up to \$417,000**
 - 1-unit single family detached and attached
 - Maximum 95% LTV
 - Minimum 680 loan representative credit score
- **Loan Amount > \$417,000**
 - 1-unit single family detached and attached
 - Maximum 90% LTV to \$625,500
 - Minimum 740 loan representative credit score

Summary of Guideline Changes Effective May 15, 2009 (cont'd)

- **Third Party Originations**
 - Ineligible for mortgage insurance with CMG MI
- **Nontraditional Credit (updated 4/29/09)**
 - Ineligible for mortgage insurance with CMG MI
- **Debt Ratios**
 - Purchase
 - Maximum 41% DTI, regardless of DU or LP recommendations
- **Cash Reserves**
 - Loan Amount > \$417,000
 - Minimum 6 months' PITI

Changes to Distressed Markets List

- **The following MSA/MSADs have been added to the CMG MI Distressed Markets List:**
 - **MSAs/MSADs:**
 - Pueblo, CO
 - Savannah, GA
 - Sioux City, IA-NE-SD
 - Elkhart-Goshen, IN
 - Peabody, MA (MSAD)
 - Buffalo-Niagara Falls, NY
 - Springfield, OH
 - Reading, PA
 - York-Hanover, PA
 - Allentown-Bethlehem-Easton, PA
 - McAllen-Edinburg-Mission, TX
 - Salt Lake City, UT
 - Yakima, WA

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Please make any necessary updates to your internal systems. CMG MI recommends that you notify your staff and branches of the changes and the effective date as soon as possible. For more information or to answer your questions, please contact your CMG MI Account Executive or visit our website at www.cmgmi.com/guidelines.