

CMG Mortgage Insurance Company

Headlines

Vol. #03-05

November 2005

CMG MI Launches the MI AdvantageSM Calculator

Saving Time and Money for You and Your Members

If you and your Members have a hard time figuring out which mortgage finance plan makes the most sense, there's a great new tool available from CMG MI that can help you with this important decision.

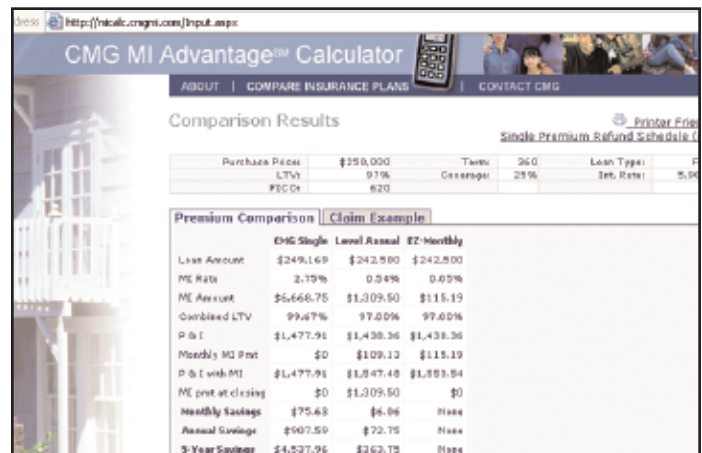
Our MI Advantage Calculator gives you and your Members a fast and easy-to-use way to compare several plans at once – and find out which one makes the best sense for your Members' needs. Three loans carrying mortgage insurance — a CMG MI Single Premium plan, a Level Annual premium plan and a CMG EZ Monthly Premium plan — are compared against an 80% First Loan in combination with a purchase money second. The Member's down payment is the same for each of the four loan structures calculated, so the user is able to compare "apples to apples."

Quick Results — and Major Advantages

To begin using the MI Advantage Calculator, visit the special CMG MI Web page at <http://micalc.cmgmi.com>. Input the purchase loan characteristics in the designated fields (Price, Loan Type, LTV, Interest Rate, MI Coverage), click "Calculate" – and receive your instant results! The Calculator is also available from the CMG MI corporate Web site at www.cmgmi.com/new.

Your Members will be pleased to be able to see their options in a matter of seconds — and possibly save thousands of dollars. You'll be pleased to save time on tedious manual calculations.

According to Stephanie Roth, CMG MI's Account Executive for the North Central region, "Some of our customers had been hand-calculating the differences for their customers. They're thrilled with the new Calculator and have praised its ease-of-use."



The screenshot displays the 'CMG MI AdvantageSM Calculator' interface. It includes a navigation bar with 'ABOUT', 'COMPARE INSURANCE PLANS', and 'CONTACT CMG'. The main section is titled 'Comparison Results' and shows a 'Single Premium Refund Schedule' table. Below this, there is a 'Premium Comparison' table with a 'Claim Example' tab. The 'Claim Example' table compares four scenarios: CMG Single, Level Annual, EZ Monthly, and Piggyback. The Piggyback scenario shows significant savings compared to the other three.

	CMG Single	Level Annual	EZ Monthly
Loan Amount	\$249,169	\$242,990	\$242,990
MI Rate	2.75%	0.34%	0.05%
MI Amount	\$6,668.75	\$1,309.50	\$115.19
Combined LTV	99.67%	97.00%	97.00%
P & I	\$1,477.91	\$1,438.36	\$1,438.36
Monthly MI Pmt	\$0	\$109.13	\$115.19
P & I with MI	\$1,477.91	\$1,547.49	\$1,553.54
MI amt at closing	\$0	\$1,309.50	\$0
Monthly Savings	\$75.68	\$6.96	None
Annual Savings	\$907.59	\$72.75	None
3-Year Savings	\$4,527.96	\$262.75	None

An Eye-Opening Look at Piggybacks

You'll also appreciate being able to compare your Credit Union's exposure for each type of loan plan, as the Calculator provides a separate section that itemizes the expenses involved in event of foreclosure and the subsequent loss to the Credit Union. "The Calculator demonstrates that a piggyback loan that goes into default represents a very serious financial loss to a Credit Union," said Brian Shepherd, Senior Vice President of CMG Mortgage Insurance Company. "With rates on the rise, Credit Unions need to reassess the risk posed to their portfolios by piggyback loans that feature adjustable-rate seconds. When a loan is secured by mortgage insurance, however, the Credit Union is protected against these losses."

The Calculator also shows that a piggyback loan offered by one of your competitors may not always be the best choice from a homebuyer's point of view. "The Calculator offers a simple, clear illustration of the relative advantages of a mortgage insurance plan

continued on page 2

compared to a piggyback,” said Jim Ernest, Executive Vice President of Provident Credit Union. “There’s no selling necessary, because the Calculator states simply what the competition has to offer. By using it, our loan officers can give Members an immediate online or printed comparison that shows what their monthly payment will be.”

New Features on the Horizon

CMG MI is continually upgrading its technology offerings and the MI Advantage Calculator is no exception. “We’re planning to provide the capability to allow our customers to add a link and integrate the

Calculator directly into their own sites as part of a cobranding strategy,” said Joe Lynch, Director of Technology at CMG MI.

When using the MI Advantage Calculator, be aware that it is not designed to provide actual rate quotes. You can obtain CMG MI rate quotes by visiting www.e-cmgmi.com. This is the home page of e-cmgmi, our online system for originating, servicing and contract underwriting mortgage loans.

To see how this Calculator can work for you, go to <http://micalc.cmgmi.com>. For more information on the Calculator, contact your CMGMI Account Executive at 800.909.4264.

CUNA Mutual Plans to Sell Mortgage Lending Division to PHH

CMG Mortgage Insurance Company Unaffected by Sale

CUNA Mutual recently announced the proposed sale of its mortgage lending division, CUNA Mutual Mortgage Corporation (CMMC) to PHH Mortgage.

CMG Mortgage Insurance Company (CMG MI), which insures mortgages for CMMC, is not included in the transaction. San Francisco-based CMG MI will continue to be a private mortgage insurer jointly owned by CUNA Mutual Investment Corporation and PMI Mortgage Insurance Co.

According to Brian Shepherd, Senior Vice President and General Manager of CMG MI, “The sale of CMMC will not affect CMG MI’s customer operations or processes in any way. Following the transition of CMMC to PHH, CMG MI will continue to provide mortgage insurance coverage and service for those mortgage loans originated by CMMC. CMG MI will also insure eligible mortgage loans originated by PHH Mortgage.”

If you have questions regarding doing business with CMG MI following the sale, please contact your CMG MI Account Executive.
