

# CMG MI Program Guideline Updates *Effective October 2, 2009*

**Reference for matrix:**

New guideline changes are shown in bold red and italicized under the effective October 2, 2009 column.

Existing guidelines affected by the new guideline changes are in bold blue and italicized under the effective August 7, 2009 column.



*CMG Mortgage Insurance Company*  
A Joint Venture between PMI Mortgage Insurance Co. and  
CUNA Mutual Insurance Society

**CMG MI Conforming & Non-Conforming Program Guidelines**

| <b>Guideline Topic</b>               | <b>New Guidelines - Effective October 2, 2009</b>  | <b>Guidelines - Effective August 7, 2009</b>  |
|--------------------------------------|--|---|
| <b>Loan Purpose</b>                  | Ineligible: <ul style="list-style-type: none"> <li>• All Cash-Out Refinance transactions</li> <li>• Existing first lien was refinanced within the last 12 months as a cash out transaction</li> <li>• <b>Construction-To-Perm</b></li> </ul>   | Ineligible: <ul style="list-style-type: none"> <li>• All Cash-Out Refinance transactions</li> <li>• Existing first lien was refinanced within the last 12 months as a cash out transaction</li> </ul>   |
| <b>Credit History</b>                | Minimum of one credit score is required for each borrower, regardless of DU or LP recommendations. <b>The credit report must be no more than 90 days old on the date the mortgage note is signed</b><br><b>If the minimum payment for a debt is not stated on the credit report, five percent (5%) of the outstanding balance must be used when calculating the debt ratio or supporting documentation must be provided to support actual minimum payment</b>  | Minimum of one credit score is required for each borrower, regardless of DU or LP recommendations   |
| <b>Third Party Originations</b>      | <b>Loans that are not originated on behalf of a credit union are</b> ineligible  | Ineligible  |
| <b>Appraisal</b>                     | All appraisals must be in writing or electronic. Standard format is as follows: <ul style="list-style-type: none"> <li>• Single-family and Detached PUDs -- Uniform Residential Appraisal Form (Fannie Mae Form 1004/Freddie Mac Form 70, dated 2005)</li> <li>• <b>Market Conditions Addendum to the Appraisal Report – Uniform Residential Appraisal Form (Fannie Mae Form 1004MC/Freddie Mac Form 71, dated March 2009)</b></li> <li>• Condominiums -- Individual Condominium or PUD Unit Form (Fannie Mae Form 1073/Freddie Mac Form 465, dated March 2005)</li> <li>• Cooperative Housing Units -- Individual Cooperative Interest Appraisal Report – Fannie Mae Form 2090 and the Exterior-Only Individual Cooperative Interest Appraisal Report – Fannie Mae Form 2095</li> </ul> | All appraisals must be in writing or electronic. Standard format is as follows: <ul style="list-style-type: none"> <li>• Single-family and Detached PUDs -- Uniform Residential Appraisal Form (Fannie Mae Form 1004/Freddie Mac Form 70, dated 2005)</li> <li>• Condominiums -- Individual Condominium or PUD Unit Form (Fannie Mae Form 1073/Freddie Mac Form 465, dated March 2005)</li> <li>• Cooperative Housing Units -- Individual Cooperative Interest Appraisal Report – Fannie Mae Form 2090 and the Exterior-Only Individual Cooperative Interest Appraisal Report – Fannie Mae Form 2095</li> </ul> |
| <b>CMG MI Coverages and Premiums</b> | <ul style="list-style-type: none"> <li>• For information regarding CMG MI rates and surcharges, please refer to our published rate sheets on our Web site at <a href="http://www.cmgmi.com">www.cmgmi.com</a>.</li> <li>• When CMG MI Single Premium is financed, the maximum CLTV is 105% and is subject to state restrictions.</li> </ul>  | <ul style="list-style-type: none"> <li>• For information regarding CMG MI rates and surcharges, please refer to our published rate sheets on our Web site at <a href="http://www.cmgmi.com">www.cmgmi.com</a>.</li> <li>• When CMG MI Single Premium is financed, the maximum CLTV is 105% and is subject to state restrictions.</li> <li>• <b>Maximum MI Coverage for LTVs:</b> <ul style="list-style-type: none"> <li>◦ 85% LTV - Maximum 17%</li> <li>◦ 90% LTV - Maximum 25%</li> <li>◦ 95% LTV - Maximum 30%</li> </ul> </li> </ul>  |

**CMG MI Distressed Markets Policy**

|  | <b>New Guidelines - Effective October 2, 2009</b>  | <b>Guidelines - Effective August 7, 2009</b>   |
|--|--|--|
| <b>LTV/Loan Amount</b>   | Loan Amounts up to \$417,000<br>Maximum 90% LTV/CLTV to \$417,000<br><ul style="list-style-type: none"> <li>• <b>Properties located in Arizona, California, Florida, Michigan, and Nevada</b> <ul style="list-style-type: none"> <li>◦ <b>Minimum 720 loan representative credit score</b></li> </ul> </li> <li>• <b>Properties located in all other states</b> <ul style="list-style-type: none"> <li>◦ Minimum 680 loan representative credit score</li> </ul> </li> </ul>   | Loan Amounts up to \$417,000<br>Maximum 90% LTV/CLTV to \$417,000<br><ul style="list-style-type: none"> <li>• Minimum 680 loan representative credit score</li> </ul>  |
| <b>Credit Score</b>  |  | <i>Properties located in Arizona, California, Florida, Michigan, and Nevada</i><br><ul style="list-style-type: none"> <li>• <i>Minimum 720 loan representative credit score</i></li> </ul>   |
| <b>CMG MI will not insure:<br/>(Rearranged List, No Change to Actual List)</b> | <ul style="list-style-type: none"> <li>• Loan Representative Credit Score of Less Than 680</li> <li>• Second Homes</li> <li>• Investment Properties</li> <li>• 1-unit single family attached and Condominiums in Florida</li> <li>• 2-4 Unit Properties</li> <li>• Co-ops</li> <li>• Manufactured Homes</li> <li>• Short-Term ARM (3 years or less fixed period)</li> <li>• Scheduled or Potential Negative Amortization</li> <li>• Option Payment Mortgages</li> <li>• Interest Only</li> <li>• Cash-Out Refinances</li> <li>• Construction-To-Perm</li> <li>• Limited Doc Products</li> <li>• Nontraditional Credit</li> <li>• Third Party Originations</li> </ul> | <ul style="list-style-type: none"> <li>• Manufactured Homes</li> <li>• Co-ops</li> <li>• 2-4 Unit Properties</li> <li>• Short-Term ARM (3 years or less fixed period)</li> <li>• 1-unit single family attached and Condominiums in Florida</li> <li>• Third Party Originations</li> <li>• Second Homes</li> <li>• Nontraditional Credit</li> <li>• Loan Representative Credit Score of Less Than 680</li> <li>• Cash-Out Refinances</li> <li>• Construction-To-Perm</li> <li>• Interest Only</li> <li>• Investment Properties</li> <li>• Limited Doc Products</li> <li>• Scheduled or Potential Negative Amortization</li> <li>• Option Payment Mortgages</li> </ul> |
| <b>Distressed Markets List<br/>MSA/MSAD</b>                                    | <u>MSA/MSAD Name</u><br>Allentown-Bethlehem-Easton, PA-NJ<br>Atlanta-Sandy Springs-Marietta, GA<br>Baltimore-Towson, MD<br>Bellingham, WA<br>Bend, OR<br>Bethesda-Frederick-Gaithersburg, MD (MSAD)<br>Boise City-Nampa, ID<br>Boston-Quincy, MA (MSAD)<br>Bremerton-Silverdale, WA  | <u>MSA/MSAD Name</u><br><i>Akron, OH</i><br><i>Albany-Schenectady-Troy, NY</i><br>Allentown-Bethlehem-Easton, PA-NJ<br>Atlanta-Sandy Springs-Marietta, GA<br>Baltimore-Towson, MD<br><i>Beaumont-Port Arthur, TX</i><br>Bellingham, WA<br>Bend, OR<br>Bethesda-Frederick-Gaithersburg, MD (MSAD)<br>Boise City-Nampa, ID<br>Boston-Quincy, MA (MSAD)<br>Bremerton-Silverdale, WA<br><i>Brunswick, GA</i><br><i>Buffalo-Niagara Falls, NY</i>   |

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| <b>Distressed Markets List (cont'd)</b><br><b>MSA/MSAD</b> | Cambridge-Newton-Framingham, MA (MSAD)<br>Canton-Massillon, OH<br>Charleston-North Charleston-Summerville, SC<br>Charlottesville, VA<br>Chattanooga, TN-GA<br>Chicago-Naperville-Joliet, IL (MSAD)<br>Cleveland-Elyria-Mentor, OH<br>Coeur d'Alene, ID<br>Columbus, OH<br>Corvallis, OR<br>Dalton, GA<br>Danville, IL<br>Danville, VA<br>Dayton, OH<br>Dover, DE<br>Duluth, MN-WI<br>Elkhart-Gosen, IN<br>Eugene-Springfield, OR<br>Fayetteville-Springdale-Rogers, AR-MO<br>Gainesville, GA<br>Gary, IN (MSAD)<br>Grand Junction, CO<br>Greensboro-High Point, NC<br>Hagerstown-Martinsburg, MD-WV<br>Hickory-Lenoir-Morganton, NC<br>Janesville, WI | Cambridge-Newton-Framingham, MA (MSAD)<br>Canton-Massillon, OH<br>Charleston-North Charleston-Summerville, SC<br>Charlottesville, VA<br>Chattanooga, TN-GA<br>Chicago-Naperville-Joliet, IL (MSAD)<br><b><i>Cincinnati-Middletown, OH-KY-IN</i></b><br>Cleveland-Elyria-Mentor, OH<br>Coeur d'Alene, ID<br><b><i>Colorado Springs, CO</i></b><br>Columbus, OH<br>Corvallis, OR<br>Dalton, GA<br>Danville, IL<br>Danville, VA<br>Dayton, OH<br><b><i>Des Moines-West Des Moines, IA</i></b><br>Dover, DE<br>Duluth, MN-WI<br><b><i>Eau Claire, WI</i></b><br>Elkhart-Gosen, IN<br><b><i>Erie, PA</i></b><br>Eugene-Springfield, OR<br><b><i>Evansville, IN-KY</i></b><br><b><i>Fairbanks, AK</i></b><br>Fayetteville-Springdale-Rogers, AR-MO<br>Gainesville, GA<br>Gary, IN (MSAD)<br>Grand Junction, CO<br><b><i>Greeley, CO</i></b><br><b><i>Green Bay, WI</i></b><br>Greensboro-High Point, NC<br><b><i>Greenville, NC</i></b><br><b><i>Gulfport-Biloxi, MS</i></b><br>Hagerstown-Martinsburg, MD-WV<br>Hickory-Lenoir-Morganton, NC<br><b><i>Indianapolis-Carmel, IN</i></b><br><b><i>Iowa City, IA</i></b><br>Janesville, WI<br><b><i>Joplin, MO</i></b> |

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