

CMG Mortgage Insurance Company

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

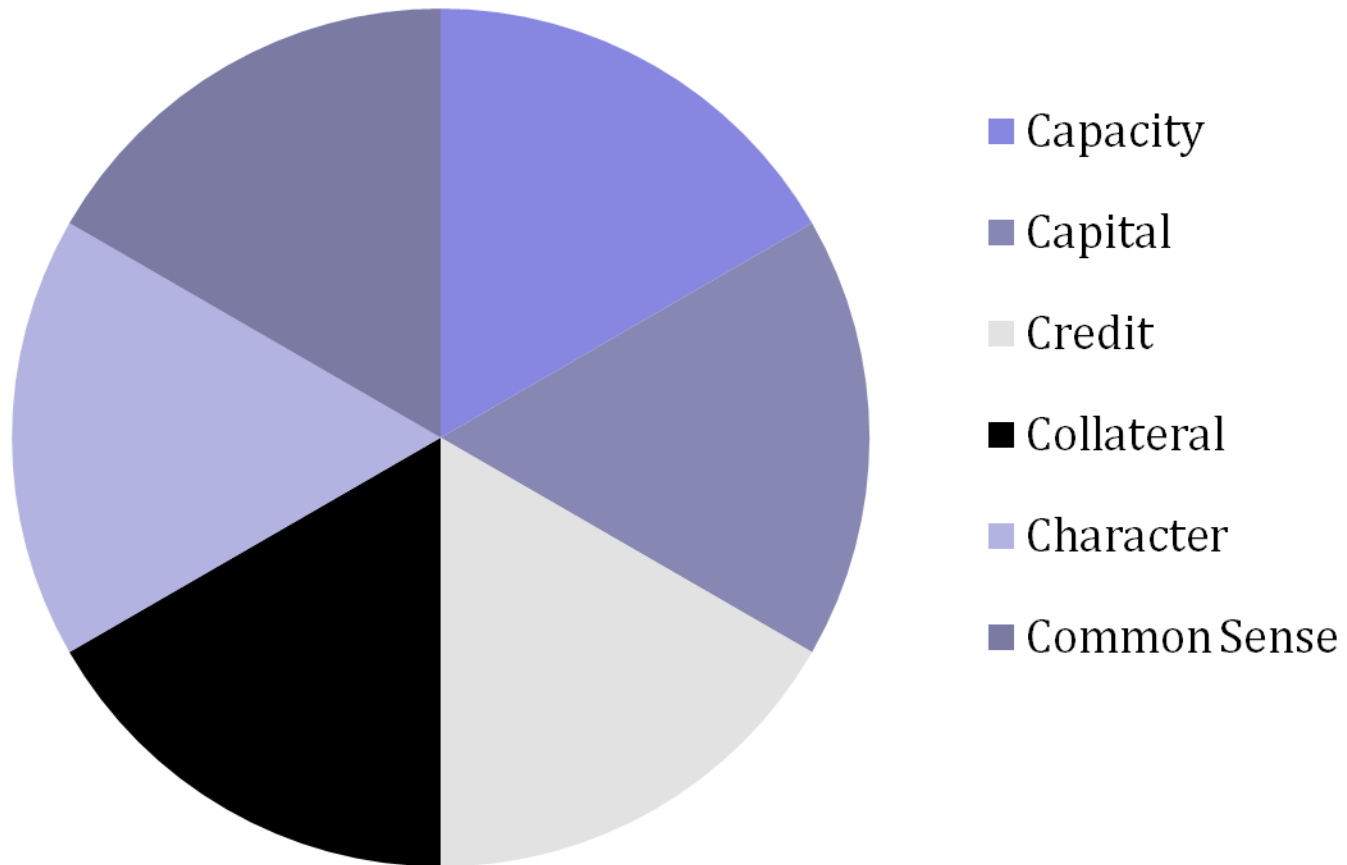
CMG MI. More Than MI.

Underwriting: It's About Risk

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The C's

Risk



Defining Risk

Employment/Income

Assets

Credit

DTI

Property

Coborrowers

PMI (from CMG MI of course)

Loan purpose

Loan

Documentation

What are the Top 3?

Case-Study

- LTV:
- Credit Scores:
- Ratios:
- Reserves:
- Employment:
- Collateral:
- Other



What do you think?

Key Concepts in Assessing Risk

■ Strengths and Weaknesses

- _____ and _____
- Measurement
- _____ of thought

■ But there are challenges...

- Loss _____
- _____ bias
- Our sense of _____
- Optimism
- Social _____
- Lack of _____

■ Analysis and Intuition

The Plot Thickens

- Behavioral Economics

- Misrepresentation

- Online dating

- Age
 - Education level
 - Height
 - Income
 - Marital status
 - Physical appearance
 - Weight

- Mortgage lending