

CMG MI Program Guideline Update *Effective February 5, 2010*

Reference for matrix:

New guideline changes are shown in bold red and italicized under the effective February 5, 2010 column.

Existing guidelines affected by the new guideline changes are in bold blue and italicized under the effective January 8, 2010 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

<u>Guideline Topic</u>	<u>New Guidelines - Effective February 5, 2010</u>	<u>Guidelines - Effective January 8, 2010</u>
Automated Approvals	<ul style="list-style-type: none"> • CMG Mortgage Insurance Company (CMG MI) does not automatically approve loans for mortgage insurance based solely on decisions obtained from Agency systems • Loans submitted and approved by Fannie Mae's Desktop Underwriter® (DU®) and Freddie Mac's Loan Prospector® (LP) must meet CMG MI's Conforming and Non-Conforming Program Guidelines 	<p><i>The loan must meet CMG Mortgage Insurance Company's ("CMG MI") Conforming and Non-Conforming Program Guidelines, regardless of all Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations</i></p>
Employment History	<p><u>Document Efficiencies (DU/LP only)</u></p> <ul style="list-style-type: none"> • One of the following documentation sets will be required (employment gaps explained when required by the findings): <ul style="list-style-type: none"> o A verbal Verification of Employment (completed prior to closing); and <ul style="list-style-type: none"> ★ Verification of Employment, or ★ One month's paystubs, which contains at least 30 days of year-to-date earnings, and a verbal Verification of Employment; or ★ One paystub and the most recent year's W-2s and a verbal Verification of Employment, or ★ One year's personal federal tax returns, or ★ Two years' personal federal tax returns, or ★ Two years' personal and two years' business federal tax returns (if self-employed) o A Documentation Efficiency of only a Verbal Verification of Employment is not acceptable o Assets for down payment, closing costs and reserves must meet CMG MI requirements; however, they may be documented using the documentation permitted by DU/LP • Ineligible: Loan amount > \$417,000 	
Maximum Interested Party/Seller Contributions & Concessions	<p><u>Owner-Occupied</u></p> <ul style="list-style-type: none"> • Maximum of 3% based upon the lesser of the property's sales price or appraised value on LTVs 90.01 – 95% • Maximum of 6% based upon the lesser of the property's sales price or appraised value for LTVs up to 90% • CMG Single Premium Payment Plan <ul style="list-style-type: none"> o Maximum of 6% based upon the lesser of the property's sales price or appraised value for LTVs up to 95% 	<p><u>Owner-Occupied</u></p> <ul style="list-style-type: none"> • Maximum 3% not to exceed the lesser of the property's sales price or appraised value on LTVs 90.01 – 95% • Maximum 6% not to exceed the lesser of the property's sales price or appraised value for LTVs up to 90%
	<p><u>Second Home</u></p> <ul style="list-style-type: none"> • Maximum of 6% based upon the lesser of the property's sales price or appraised value 	<p><u>Second Home</u></p> <ul style="list-style-type: none"> • Maximum 6% not to exceed the lesser of the property's sales price or appraised value
Appraisal	Ineligible: Streamline appraisal forms and waivers are ineligible, such as those driven by DU/LP (e.g. Exterior-only 2055 drive-by inspections, property inspection waivers and DU Refi Plus property fieldwork waiver), regardless of appraisal efficiencies by DU/LP	Ineligible: Streamline appraisal forms and waivers are ineligible, such as those driven by DU/LP (e.g. Exterior-only 2055 drive-by inspections, property inspection waivers and DU Refi Plus property fieldwork waiver)

CMG MI Construction-To-Permanent Program Guidelines

Guideline Topic	New Guidelines - Effective February 5, 2010	Guidelines - Effective January 8, 2010
Automated Approvals	<ul style="list-style-type: none"> • CMG Mortgage Insurance Company (CMG MI) does not automatically approve loans for mortgage insurance based solely on decisions obtained from Agency systems • Loans submitted and approved by Fannie Mae's Desktop Underwriter® (DU®) and Freddie Mac's Loan Prospector® (LP) must meet CMG MI's Construction-To-Permanent Program Guidelines 	<p><i>The loan must meet CMG Mortgage Insurance Company's ("CMG MI") Conforming and Non-Conforming Program Guidelines, regardless of all Fannie Mae's Desktop Underwriter® ("DU") and Freddie Mac's Loan Prospector® ("LP") recommendations</i></p>
Employment History	<p>Document Efficiencies (DU/LP only)</p> <ul style="list-style-type: none"> • One of the following documentation sets will be required (employment gaps explained when required by the findings): <ul style="list-style-type: none"> o A verbal Verification of Employment (completed prior to closing); and <ul style="list-style-type: none"> ★ Verification of Employment, or ★ One month's paystubs, which contains at least 30 days of year-to-date earnings, and a verbal Verification of Employment; or ★ One paystub and the most recent year's W-2s and a verbal Verification of Employment, or ★ One year's personal federal tax returns, or ★ Two years' personal federal tax returns, or ★ Two years' personal and two years' business federal tax returns (if self-employed) o A Documentation Efficiency of only a Verbal Verification of Employment is not acceptable o Assets for down payment, closing costs and reserves must meet CMG MI requirements; however, they may be documented using the documentation permitted by DU/LP • Ineligible: Loan amount > \$417,000 	
Maximum Interested Party/Seller Contributions & Concessions	<p><u>Owner-Occupied</u></p> <ul style="list-style-type: none"> • Maximum of 3% based upon the lesser of the property's sales price or appraised value on: <ul style="list-style-type: none"> o LTVs 90.01 - 95% to \$417,000 o LTVs up to 90% to \$625,500 • Maximum of 6% based upon the lesser of the property's sales price or appraised value on: <ul style="list-style-type: none"> o LTVs up to 90% to \$417,000 	<p><u>Owner-Occupied</u></p> <ul style="list-style-type: none"> • Maximum 3% not to exceed the lesser of the property's sales price or appraised value on: <ul style="list-style-type: none"> o LTVs greater than 90% o Loan amounts > \$417,000 • Maximum 6% not to exceed the lesser of the property's sales price or appraised value on: <ul style="list-style-type: none"> o LTVs up to 90%
Appraisal	<p>Ineligible: Streamline appraisal forms and waivers are ineligible, such as those driven by DU/LP (e.g. Exterior-only 2055 drive-by inspections, property inspection waivers and DU Refi Plus property fieldwork waiver), regardless of appraisal efficiencies by DU/LP</p>	<p>Ineligible: Streamline appraisal forms and waivers are ineligible, such as those driven by DU/LP (e.g. Exterior-only 2055 drive-by inspections, property inspection waivers and DU Refi Plus property fieldwork waiver)</p>