

CMG MI

Program Guideline

Updates

Effective May 7, 2010

Reference for matrix:

New guideline changes are shown in bold red and italicized under the effective May 7, 2010 column.

Existing guidelines affected by the new guideline changes are in bold blue and italicized under the effective April 2, 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

Guideline Topic	New Guidelines - Effective May 7, 2010	Guidelines - Effective April 2, 2010
Credit History	<p>Although a credit score can be generated with one trade line, CMG MI does not consider the credit score valid unless at least three open and active trade lines are evaluated for a minimum of 12 months. The validity of the credit score and the number of trade lines is of importance if the credit history is "thin" or limited. Thin credit refers to a file of credit information that contains very little data about the borrower's use of credit, most likely because there isn't a long history of credit use upon which to judge repayment ability. The valid credit score policy does not apply to all borrowers. Borrowers who have a lengthy and in-depth credit history (multiple years and multiple active, inactive and closed accounts) do not have a credit score validity issue, and are not required to have three open and active accounts to qualify, although the minimum loan representative credit scores specified in these guidelines nonetheless apply</p>	<p>Although a credit score can be generated with one trade line, CMG MI does not consider the credit score valid unless at least three open and active trade lines are evaluated for a minimum of 12 months. Borrowers who have a lengthy and in-depth credit history (multiple years and multiple active, inactive and closed accounts) do not have a credit score validity issue, although the minimum loan representative credit scores specified in these guidelines nonetheless apply</p>

CMG MI Construction-To-Permanent Program Guidelines

Guideline Topic	New Guidelines - Effective May 7, 2010	Guidelines - Effective April 2, 2010
Loan Type	Adjustable Rate Mortgage <ul style="list-style-type: none"> • Positively Amortizing Hybrid ARMs (i.e. 5/1, 7/1, 10/1) • Short Term ARMs (1 to 3 years fixed period) <ul style="list-style-type: none"> ◦ Ineligible: Short Term ARMs less than 1 year fixed period, Loan amounts > \$417,000 • Annual caps not to exceed 2% and lifetime cap not to exceed 6% 	Adjustable Rate Mortgage <ul style="list-style-type: none"> • Positively Amortizing Hybrid ARMs (i.e. 5/1, 7/1, 10/1) • Short Term ARMs (1 to 3 years fixed period) <ul style="list-style-type: none"> ◦ <i>Purchase Only</i> ◦ Ineligible: Short Term ARMs less than 1 year fixed period, Loan amounts > \$417,000 • Annual caps not to exceed 2% and lifetime cap not to exceed 6%
Credit History	Although a credit score can be generated with one trade line, CMG MI does not consider the credit score valid unless at least three open and active trade lines are evaluated for a minimum of 12 months. <i>The validity of the credit score and the number of trade lines is of importance if the credit history is "thin" or limited. Thin credit refers to a file of credit information that contains very little data about the borrower's use of credit, most likely because there isn't a long history of credit use upon which to judge repayment ability. The valid credit score policy does not apply to all borrowers.</i> Borrowers who have a lengthy and in-depth credit history (multiple years and multiple active, inactive and closed accounts) do not have a credit score validity issue, <i>and are not required to have three open and active accounts to qualify</i> , although the minimum loan representative credit scores specified in these guidelines nonetheless apply	Although a credit score can be generated with one trade line, CMG MI does not consider the credit score valid unless at least three open and active trade lines are evaluated for a minimum of 12 months. Borrowers who have a lengthy and in-depth credit history (multiple years and multiple active, inactive and closed accounts) do not have a credit score validity issue, although the minimum loan representative credit scores specified in these guidelines nonetheless apply

CMG MI Distressed Markets Policy - Tier 1

	Tier 1: New Guidelines - Effective May 7, 2010	Tier 1: Guidelines - Effective April 2, 2010
LTV/Loan Amount	<p><u>Loan Amounts > \$417,000</u></p> <ul style="list-style-type: none"> • Maximum 90% LTV/CLTV to \$625,500 Minimum 720 loan representative credit score • Maximum 85% LTV/CLTV to \$729,750 Minimum 720 loan representative credit score • CMG Single Premium Payment Plan Minimum 700 loan representative credit score 	<p><u>Loan Amounts > \$417,000</u></p> <ul style="list-style-type: none"> • Maximum 90% LTV/CLTV to \$500,000 Minimum 720 loan representative credit score • Maximum 85% LTV/CLTV to \$625,500 Minimum 720 loan representative credit score • CMG Single Premium Payment Plan Minimum 700 loan representative credit score

CMG MI Distressed Markets Policy - Tier 2

	Tier 2: New Guidelines - Effective May 7, 2010	Tier 2: Guidelines - Effective April 2, 2010
LTV/Loan Amount	<p>Loan Amounts up to \$417,000 Maximum 90% LTV/CLTV to \$417,000</p> <ul style="list-style-type: none"> • Properties located in Arizona, Florida, Michigan, and Nevada <ul style="list-style-type: none"> o Minimum 700 loan representative credit score, regardless of property type • Properties located in California Tier 2 MSA/MSAD <ul style="list-style-type: none"> o Minimum 700 loan representative credit score, regardless of property type • Properties located in all other states <ul style="list-style-type: none"> o Minimum 680 loan representative credit score 	<p>Loan Amounts up to \$417,000 Maximum 90% LTV/CLTV to \$417,000</p> <ul style="list-style-type: none"> • Properties located in Arizona, Florida, Michigan, and Nevada <ul style="list-style-type: none"> o Minimum 720 loan representative credit score, regardless of property type • Properties located in California Tier 2 MSA/MSAD <ul style="list-style-type: none"> o Minimum 720 loan representative credit score, regardless of property type • Properties located in all other states <ul style="list-style-type: none"> o Minimum 680 loan representative credit score