

The CMG MI Credit Risk Bulletin

Bulletin #6-10 - June 2010



CMG Mortgage Insurance Company

Summary of Guidelines and Distressed Markets List Changes Effective July 6, 2010

CMG Mortgage Insurance Company (CMG MI) continues to evaluate the ongoing changes in today's housing market, while implementing sound policies that promote our goal of providing mortgage insurance products that support sustainable homeownership. As a result of our latest review, we are making changes to our Conforming & Non-Conforming Program guidelines and Distressed Markets List, **effective July 6, 2010**.

Please note the following:

- **Changes supersede previously issued CMG MI approved program variations**
- **Changes apply regardless of submission channel to CMG MI**
- **Changes apply regardless of any Automated Underwriting System (AUS) recommendation or decision**

Changes to Conforming and Non-Conforming Guidelines

- **Loan Purpose – Balloons are now eligible for up to 90% LTV Cash-Out Refinances**

Changes to Distressed Markets List

Effective 7/6/10, CMG MI is pleased to announce that significant MSA/MSADs changes have been made to our Distressed Markets List. 13 MSA/MSADs have been removed from the states of Arizona, Florida, and Michigan, 9 removed from the state of California, 1 removed from Virginia/West Virginia, and 9 Micropolitan Areas removed, as follows:

- **As a result of market condition score improvements, the following MSA/MSADs and Micropolitan Areas have been removed from the CMG MI Distressed Markets List:**
 - **MSAs/MSADs:**
 - Phoenix-Mesa-Glendale, AZ
 - Yuma, AZ
 - Bishop, CA (Micropolitan Area)
 - Clearlake, CA (Micropolitan Area)
 - Crescent City, CA (Micropolitan Area)
 - Eureka-Arcata-Fortuna, CA (Micropolitan Area)
 - Los Angeles-Long Beach-Glendale, CA (MSAD)
 - Madera-Chowchilla, CA

Summary of Guidelines and Distressed Markets List Changes Effective July 6, 2010 (cont'd)

- Merced, CA
 - Modesto, CA
 - Phoenix Lake-Cedar Ridge, CA (Micropolitan Area)
 - Red Bluff, CA (Micropolitan Area)
 - Riverside-San Bernardino-Ontario, CA
 - Sacramento--Arden-Arcade--Roseville, CA
 - Salinas, CA
 - Stockton, CA
 - Susanville, CA (Micropolitan Area)
 - Truckee-Grass Valley, CA (Micropolitan Area)
 - Ukiah, CA (Micropolitan Area)
 - Vallejo-Fairfield, CA
 - Gainesville, FL
 - Pensacola-Ferry Pass-Brent, FL
 - Tallahassee, FL
 - Ann Arbor, MI
 - Battle Creek, MI
 - Bay City, MI
 - Grand Rapids-Wyoming, MI
 - Holland-Grand Haven, MI
 - Kalamazoo-Portage, MI
 - Lansing-East Lansing, MI
 - Niles-Benton Harbor, MI
 - Winchester, VA-WV
- **The following MSA/MSADs will be subject to CMG MI's Distressed Markets Policy:**
 - o **MSAs/MSADs:**
 - Bakersfield-Delano, CA
 - Bend, OR
 - Boise City-Nampa, ID
 - Cape Coral-Fort Myers, FL
 - Chico, CA
 - Crestview-Fort Walton Beach-Destin, FL
 - Deltona-Daytona Beach-Ormond Beach, FL
 - Detroit-Livonia-Dearborn, MI (MSAD)
 - El Centro, CA
 - Flagstaff, AZ
 - Flint, MI
 - Fort Lauderdale-Pompano Beach-Deerfield Beach, FL (MSAD)
 - Fresno, CA
 - Hanford-Corcoran, CA
 - Jackson, MI
 - Jacksonville, FL
 - Lake Havasu City-Kingman, AZ

Summary of Guidelines and Distressed Markets List Changes Effective July 6, 2010 (cont'd)

- Lakeland-Winter Haven, FL
- Miami-Miami Beach-Kendall, FL (MSAD)
- Monroe, MI
- Muskegon-Norton Shores, MI
- Naples-Marco Island, FL
- North Port-Bradenton-Sarasota, FL
- Ocala, FL
- Orlando-Kissimmee-Sanford, FL
- Palm Bay-Melbourne-Titusville, FL
- Palm Coast, FL
- Panama City-Lynn Haven-Panama City Beach, FL
- Port St. Lucie, FL
- Prescott, AZ
- Punta Gorda, FL
- Redding, CA
- Saginaw-Saginaw Township North, MI
- Sebastian-Vero Beach, FL
- South Bend-Mishawaka, IN-MI*
- Tampa-St. Petersburg-Clearwater, FL
- Tucson, AZ
- Visalia-Porterville, CA
- Warren-Troy-Farmington Hills, MI (MSAD)
- West Palm Beach-Boca Raton-Boynton Beach, FL (MSAD)

* Please Note: Properties located in the state of IN are eligible under CMG MI's Conforming & Non-Conforming Program guidelines

To determine if a property is subject to the CMG MI Distressed Markets Policy, please visit the CMG MI ZipMap at <http://www.cmgmi.com/map>. Additional information regarding the CMG MI Distressed Markets Policy is available at: www.cmgmi.com/distressed_markets.

The above is only a summary of the guideline changes effective July 6, 2010. Complete CMG MI program guidelines are available at: www.cmgmi.com/guidelines.

Please make any necessary updates to your internal systems. CMG MI recommends that you notify your staff and branches of the changes and the effective date as soon as possible. For more information or to answer your questions, please contact your CMG MI Account Executive or visit our website at www.cmgmi.com/guidelines.