

97% LTV Comparison

MGIC Go! is the fastest way to get MI on your Fannie Mae HomeReady and Freddie Mac Home Possible and Home Possible Advantage loans.

The matrix to the right shows how the two programs compare at 97% LTV.

See the MGIC Go! Underwriting Summary on the back page.

For more information or for a presentation you can use with your real estate referral partners, contact your local MGIC account representative.

We derived the information provided in this comparison from Fannie Mae and Freddie Mac publications, including information posted on their websites. While we believe this information was accurate as of the date we prepared this comparison, we are not a representative or agent of either Fannie Mae or Freddie Mac and do not warrant its accuracy or completeness. You may want to verify the comparison's accuracy and completeness independently. Desktop Underwriter®, DU®, Community Seconds® and HomeReady® are Fannie Mae registered trademarks. Home Possible®, Home Possible Advantage®, Affordable Seconds®, CreditSmart® and Loan Product Advisor® are Freddie Mac registered service marks.

Program Requirements	FANNIE MAE HomeReady Mortgage		FREDDIE MAC Home Possible Advantage	
	Purchase Transactions	Limited Cash-Out Refinance	Purchase Transactions	No Cash-Out Refinance
First-Time Homebuyer (FTHB)	No FTHB requirement		No FTHB requirement	Not Applicable
Income Limits	100% of AMI; Low-income census tracts - No borrower income limits		100% of AMI; Income multiplier in designated high-cost areas; Underserved areas - No income limits	
Rental Income - Accessory Unit	Rental income considered for qualifying		Rental income considered for qualifying	
Boarder Income	Allowed		Allowed	
Borrower Contribution From Own Funds	None Required	Not Applicable	None Required	Not Applicable
Reserves	Determined by Desktop Underwriter®		Determined by Loan Product Advisor®	
CLTV	105% if Community Seconds® loan		105% if Affordable Seconds® loan	
Loan Programs	Fixed - Term to 30 years; 3-2-1 buydown allowed	Fixed - Term to 30 years	Fixed - Term to 30 years; 3-2-1 buydown allowed	
Maximum Loan Amount	High Balance - Maximum 95% LTV		Super Conforming - Ineligible	
Occupancy	Primary residence - All borrowers must occupy (non-occupant borrower allowed at 95% LTV or lower in DU)		Primary residence - All borrowers must occupy	
Ownership of Other Property	Occupant and non-occupant borrower(s) may have an ownership interest in other residential property at the time of closing		Borrower may have an ownership interest on a residential property other than the mortgage premises if borrower does not occupy the property and Seller documents that: - Borrower inherited ownership and shares ownership with another party OR - Borrower co-owns property and debt associated with property was assigned to other party by court order OR - Borrower is a co-signor/guarantor on mortgage and another party has made mortgage payments on property for most recent 12 months	
Property Type	Manufactured - Ineligible at 97% LTV; allowed at ≤ 95% LTV		Manufactured - Ineligible at 97% LTV; allowed under Home Possible at ≤ 95% LTV	
Number of Units	1 unit - Maximum 97% LTV 2 units - Maximum 85% LTV		1 unit - Maximum 97% LTV 2 to 4 units allowed under Home Possible - Maximum 95% LTV	
Submission	DU Only (manual underwrite allowed at 95% LTV or lower)		Loan Product Advisor and Manual	
Manual Underwrite	Not Allowed (manual underwrite allowed at 95% LTV or lower)		Maximum 43% DTI; minimum 660 FICO	Maximum 43% DTI; minimum 680 FICO
Minimum Mortgage Insurance Coverage	25% or 18% + Minimum MI Loan-Level Price Adjustment		25% or 18% + MI Delivery Fee	
GSE Must be Owner of Existing Loan	Not Applicable	Required	Not Applicable	Not Applicable
Homebuyer Education	Required for at least 1 borrower and must have one of the following completed: - Framework Homeownership, LLC education OR - One of the following approved exceptions: · HUD-approved nonprofit housing counseling agency (when online education may not be appropriate) OR · Community Seconds or a down payment assistance program that requires homeownership education or counseling provided by a HUD approved provider OR · HUD-approved housing counseling with Form 1017 prior to executed sales contract Fannie Mae will grant borrowers a \$500 loan-level price adjustment to those who received customized, one-on-one counseling from a HUD approved nonprofit agency	Not Applicable	Required for at least 1 borrower when <u>all</u> borrowers are/have: - First-time homebuyers OR - Credit reputation established using only noncredit (nontraditional) payment references	Not Applicable
Eligible Homebuyer Education	Framework Homeownership, LLC - \$75 OR Homeownership education course required by a Community Seconds or a down payment assistance program that is provided by a HUD-approved agency prior to closing OR Housing Counseling from a HUD-approved nonprofit housing counseling agency OR completed housing counseling as evidenced by a completed Fannie Mae Form 1017	Not Applicable	Eligible programs include: - Homeownership education programs developed by mortgage insurance companies such as MGIC's at homebuyers.mgic.com - Freddie Mac's CreditSmart® (See Freddie Mac's website for additional eligible programs.)	Not Applicable

MGIC GO! STREAMLINED MI

For properties in Guam and Puerto Rico, see their respective underwriting summaries at mgic.com/guides.

MGIC GO! STREAMLINES MI FOR:

- Loans with a Desktop Underwriter® (DU®) Approve/Eligible or Loan Product Advisor® Accept/Eligible response
- Loans with a valid DU Approve/Ineligible or Loan Product Advisor Accept/Ineligible response due to LTV or loan type

FOLLOW FINDINGS/FEEDBACK REQUIREMENTS FOR:

- Documentation
- Tradelines, credit history
- Borrower contribution, including gift funds
- Reserves
- Other criteria

Refer to the respective Agency selling guide for requirements not provided in the Findings/Feedback.

We do not approve loans for mortgage insurance based solely on a response obtained from Agency automated underwriting systems, Fannie Mae's Desktop Underwriter (DU) and Freddie Mac's Loan Product Advisor.

QUESTIONS?
Contact
your MGIC
representative,
mgic.com/contact.

APPLY THE FOLLOWING MGIC GO! OVERLAYS* FOR LOANS WITH A

DU Approve/ELIGIBLE or Loan Product Advisor Accept/ELIGIBLE Response

Occupancy	Units	Max. LTV/CLTV	Min. Credit Score**
Primary Residence	1 to 2	97%/105%	620
	3 to 4	95%/95%	700
Second Home	1	97%/105%	620
Investment Property	1	85%	620

**DTI Ratio	<ul style="list-style-type: none"> > 45% Total DTI – Minimum 700 credit score 3- to 4-unit properties – 45% Total DTI
Loan Type	As allowed by DU or Loan Product Advisor
Manufactured Homes	As allowed by DU or Loan Product Advisor
Submission Options	Delegated MI Underwrite (UWG 1.06.01), MGIC MI Underwrite (UWG 1.06.02) or MGIC MI Underwrite/Full-Doc Review (UWG 1.06.03)

Minimum Credit Score	<ul style="list-style-type: none"> Use the lowest Borrower Indicator Score (Representative Credit Score) among all borrowers with an Agency-acceptable credit score to determine eligibility and premium rates. See UWG 2.03 If no borrower has an Agency-acceptable credit score: <ul style="list-style-type: none"> Follow the respective Agency's requirements for nontraditional credit; see UWG 2.03.03. The loan must receive a DU Approve/Eligible or Loan Product Advisor Accept/Eligible response to be Go!-eligible
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Other Underwriting Requirements	<ul style="list-style-type: none"> Loans must follow UWG Section 1 and Section 2 requirements Information you submit to MGIC must be consistent with the final Agency AUS response Lender-negotiated waivers or variances require MGIC approval, with the exception of these pre-approved programs: cooperative share loans, Fannie Mae HomeStyle Renovation Mortgages, affordable housing secondary financing DU Property Inspection Waiver (PIW) – When you exercise a DU-offered PIW, the property value you submit in the Insurance Application must accurately reflect the property value you entered in DU Ineligible: <ul style="list-style-type: none"> Cash-out refinances Balloon loans Interest-only loans DU Refi Plus™ and Freddie Mac Relief Refinance Mortgage™ — Open Access loans Borrowers who already have the maximum number of MGIC-insured loans (UWG 1.03.04) or who have had a loan where MGIC paid or denied a claim (UWG 1.03.05) <p>*Subject to MGIC underwriter discretion</p>
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DU Approve/INELIGIBLE or Loan Product Advisor Accept/INELIGIBLE Response Due to LTV or Loan Type

Occupancy	Units	Max. LTV/CLTV	Min. Credit Score**
Primary Residence	1	97%/97%	620
Second Home	1	90%/90%	620
Investment Property	N/A	N/A	N/A

**DTI Ratio	> 45% Total DTI – Minimum 700 credit score
Loan Type	Fixed-rate/fixed-payment or a fully amortizing ARM with an initial term of 5 years or more (Qualify ARMs using UWG 3.04.02)
Manufactured Homes	Second Home: Not eligible
Submission Options	Delegated MI Underwrite (UWG 1.06.01), MGIC MI Underwrite (UWG 1.06.02) or MGIC MI Underwrite/Full-Doc Review (UWG 1.06.03)

Minimum Credit Score	<ul style="list-style-type: none"> All borrowers must have an Agency-acceptable credit score. Use the lowest Borrower Indicator Score (Representative Credit Score) among all borrowers to determine eligibility and premium rates. See UWG 2.03 Ineligible: If any borrower has no credit score, see UWG Section 3
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Other Underwriting Requirements	<ul style="list-style-type: none"> Loans must follow UWG Section 1 and Section 2 requirements Information you submit to MGIC must be consistent with the final Agency AUS response Ineligible: <ul style="list-style-type: none"> Fannie Mae HomeReady loans Fannie Mae high-balance loans Fannie Mae HomeStyle Energy loans Freddie Mac Home Possible loans Freddie Mac super conforming loans Lender-negotiated waivers or variances Cash-out refinances Balloon loans Interest-only loans 2- to 4-unit properties DU Refi Plus™ and Freddie Mac Relief Refinance Mortgage™ — Open Access loans DU Property Inspection Waiver (PIW) Borrowers who already have the maximum number of MGIC-insured loans (UWG 1.03.04) or who have had a loan where MGIC paid or denied a claim (UWG 1.03.05) <p>*Subject to MGIC underwriter discretion</p>
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Mortgage Guaranty Insurance Corporation

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