


Michigan State Housing Development Authority (MSHDA) Rates

Great Lakes State *affordability+*

affordability+ – provides special reduced premiums for “A” borrowers + Job Loss Protection (JLP) coverage for all borrowers
 + Accidental Death and Dismemberment (AD&D) and Accidental Disability (AD) coverage for all borrowers
 + further reduced monthly premiums for borrowers receiving face-to-face homebuyer education and counseling from an MGIC FrontStepSM agency.

<i>affordability+</i> Monthlies MGIC Program #1964			Maximum 40-Year Amortization			
			Annualized <i>affordability+</i> Monthly/ZOMP! Plans			
			Standard		Counseling-Reduced	
			No Refund		No Refund	
			1st Year & Renewals		1st Year & Renewals	
Base LTV (%)	MGIC Coverage (%)	Reduces Exposure To (%)	Fixed	STEP or Temp Buydown	Fixed	STEP or Temp Buydown
103 -97.01	35	67	.70%	NA	.60%	NA
97 -95.01	28	70	.61	.81%	.51	.71%
95 -90.01	25	71	.50	.63	.40	.53
90 -85.01	20	72	.38	.46	.28	.36
85 & Under	20	68	.35	.38	.25	.28

Lower Rates for Counseled Borrowers! 

Monthly *affordability+* premiums are further reduced .10% when the following conditions are met:

1. Borrower receives minimum eight hours of face-to-face Homebuyer Education and Counseling from an MGIC-approved FrontStep agency.
2. Loan is submitted with MGIC Program #1964.
3. FrontStep agency is specified at time of MI ordering.
4. Completion of counseling certificate is provided to MGIC upon request.

<i>affordability+</i> Singles MGIC Program #1964			Maximum 40-Year Amortization			
			BPMI Singles		Assistance Singles	
			5-Year Pro Rata Refund		LPMI No Refund	
			Fixed	STEP or Temp Buydown	Fixed	STEP or Temp Buydown
Base LTV (%)	MGIC Coverage (%)	Reduces Exposure To (%)	Fixed	STEP or Temp Buydown	Fixed	STEP or Temp Buydown
103 -97.01	35	67	2.85%	NA	2.56%	NA
97 -95.01	28	70	2.48	3.13%	2.09	2.76%
95 -90.01	25	71	1.98	2.38	1.40	1.67
90 -85.01	20	72	1.47	1.71	1.19	1.41
85 & Under	20	68	1.32	1.45	1.12	1.25

Assistance Singles

- Paid by gift, grant, seller, builder, lender or housing finance agency.
- May not be paid by borrower or financed into the first mortgage.
- Select “Lender-Paid” when ordering.
- If disclosure to borrower is required, disclose as “Lender-Paid.”

<i>affordability+</i> Splits MGIC Program #1964			Maximum 40-Year Amortization			
			Split Premium Plan - 1			
			Fixed		STEP or Temp Buydown	
			2-Year Pro Rata Refund Upfront	Annualized Monthly	2-Year Pro Rata Refund Upfront	Annualized Monthly
Base LTV (%)	MGIC Coverage (%)	Reduces Exposure to (%)	2-Year Pro Rata Refund Upfront	Annualized Monthly	2-Year Pro Rata Refund Upfront	Annualized Monthly
103 -97.01	35	67	1.65%	.25%	NA	NA
97 -95.01	28	70	1.32	.25	1.91%	.25%
95 -90.01	25	71	.89	.25	1.25	.25
90 -85.01	20	72	.45	.25	.68	.25
85 & Under	20	68	.33	.25	.44	.25

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affordability+ Eligibility Criteria and Guidelines – MSHDA (#1964)

The criteria below relate to eligibility for MGIC's affordability+ premiums. The MSHDA may have additional criteria for eligibility. Lenders are responsible for assuring each loan complies with both bond program requirements and MGIC's requirements.

Eligible Loans

Maximum LTV/CLTV:

FICO	LTV / CLTV
620 - 679*	100% / 105%
680+	103% / 105%

* Or equivalent nontraditional credit

Maximum DTI:

- 45% or as determined by an acceptable Automated Underwriting decision. (See Credit section below.)

Documentation Type:

- Standard documentation required (DU®/LP® required documentation is acceptable)

Loan Type:

- Fixed-Rate
- Temporary buydown permitted as per MSHDA STEP program guidelines

Loan Purpose:

- Purchase-Only

Minimum Borrower Contributions:

- None

Credit

Automated Underwriting:

- DU Approve-Eligible* or LP Accept-Eligible* with the following minimum FICOs:

LTV	Minimum FICO
80.01% - 100%	620
100.01% - 103%	680

*Loans with these acceptable AU decisions and FICOs of less than 620 are not eligible under affordability+. However, under MSHDA, these loans are eligible for standard "A" pricing. Please submit using MGIC Program #2881.

Note – DU Expanded Approvals and LP Caution A-Minus Eligible loans are not eligible for affordability+ rates under MGIC Program #1964. Please submit using MGIC Program #2881 for Standard Expanded Criteria rates.

Manual Underwriting:

- Must meet MGIC Standard Underwriting Guidelines for minimum established credit and payment history

LTV	Minimum FICO
80.01% - 100%	620**
100.01% - 103%	680

** Or equivalent nontraditional credit

Property Eligibility

Property Type:

- 1- to 2-unit
- Owner-Occupied Primary Residence
- Attached, Detached, Condos and Co-ops (Co-ops limited to maximum 90% LTV)
- Manufactured Housing is not eligible for affordability+ rates under MGIC Program #1964. Please submit using MGIC Program #2881 for standard rates and criteria.

Please refer to MGIC's Standard Underwriting Guidelines for criteria not addressed above. MSHDA loans not meeting the criteria should be submitted under MGIC Program #2881 for standard MSHDA guidelines and premium rates and consideration for Job Loss Protection (JLP) coverage.

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How to Get *affordability+*

MI on the WEB

Go to www.mgic.com and choose **Order MI**.

1. If your name is not shown as the Current User, click **“Change User”** and select your name from the drop-down. If your name is not in the drop-down, click **“Add New User”** to add yourself to the User list.
2. To enter a new loan, click **“Enter a Loan.”** To import a loan file, click **“Browse,”** select your file, click **“Open”** and then **“Upload a Loan.”** To view or resubmit a previously submitted loan, click **“Manage Loans.”**
3. To apply for MI, complete the MI App and click **“Submit For Underwriting.”**
4. Be sure to enter the appropriate code (**1964 or 2881**) in the MGIC Program ID box. If choosing the Split Premium Plan, select **Split-1** under the Premium Plan pull-down menu.

To learn more about MI on the WEB and other submission methods, contact your MGIC Account Manager.

The screenshot shows the 'MI Information' form on the MGIC website. The form includes several dropdown menus and input fields. A teal callout box with white text is overlaid on the 'MGIC Program ID 1 (if applicable)' field, which contains the number '2881'. The callout text reads 'Enter appropriate MGIC Code here'. Other fields include 'Mortgage Insurance Program' (Standard), 'Premium Paid By' (Borrower), 'Premium Plan' (ZOMP), 'Coverage Percent' (20%), 'Refund option' (Non-Refundable), 'Renewal' (Constant), 'Financed Premium Amount', 'Financed Buydown Amount', '3/2 option' checkbox, 'Employee Relocation' checkbox, and 'FrontStep Counseling Agency' (FrontStep Network Member). A 'Top of Page' link is visible in the top right corner of the form area.

FrontStep Borrowers Save More!



Go to www.mgic.com and choose **“Emerging Markets”** for an up-to-date listing of MGIC FrontStep Agencies.

1. When you enter **“1964”** in the MGIC Program ID field, a drop-down menu of FrontStep Agencies will appear.
2. Select the correct FrontStep Agency.
3. Be sure to retain a certificate of counseling completion from the FrontStep Agency. MGIC may request this document.
4. Following these steps will reduce your borrowers’ annualized monthly premium rate!

MSHDA/MGIC Program ID Summary

- All Great Lakes State affordability+ Loans #1964
- All Manufactured Housing Loans #2881
- Expanded Criteria Standard Rates #2881

Questions? Contact your MGIC Account Manager, Emerging Markets Manager or the local MGIC Underwriting Office at 1-800-443-6431.

Rate Notes

- **Fixed-Payment Loans** – Feature level or declining payments for the first five years and cannot offer any buydowns, rate concessions or the potential for negative amortization during the first five years.
- **Premium Payment Options** – This program has different payment options: Monthly Premiums, ZOMP!, Singles and Split Premiums.
 - Monthly Premium – The initial month's premium is due at closing.
 - ZOMP! – The initial month's premium will be billed by MGIC the month the first payment is due.
 - Single Premium – The premium is due at closing.
 - Split Premium – The upfront premium is due at closing and the monthly portion will be billed by MGIC with the first payment due the month the first mortgage payment is due.
- **Declining Renewal** – Multiply the loan balance by the annualized monthly rate and divide that result by 12 months. The premium will be adjusted at each annual anniversary of the certificate, based on the outstanding loan balance.
- **Constant Renewal** – Multiply the original loan balance by the annualized monthly rate and divide that result by 12 months. The resulting premium is due each month through the 10th year. In each year, 11 through term, the premium rate is reduced to .20% or remains the same if the rate is less than .20%. Premium rate adjustments do not increase the .20% rate in years 11-term.
- **Financed Premium** – For loans on which the single premium or the upfront premium is included in the insured loan balance, the LTV category is determined by the loan amount before the premium is added. For loans with Split Premiums, the monthly premium is calculated on the total loan amount.
- **Single Premium Option** – One-time premium provides coverage until the loan amortizes to 78% of original value.
- **Refunds for Cancellation or Termination** – Monthly premiums are nonrefundable for the rates shown. If a refundable premium option is preferred, add .01% to the monthly rate under the Standard Monthly or the Split Premium Plans. The refundable Single Premium Plan will be refunded on a pro rata basis if coverage on the insured loan is cancelled during the first five years. With nonrefundable premiums, there is no refund when coverage is cancelled, except for cancellation or termination under the Federal Homeowners Protection Act of 1998. (Refund schedules can be found at www.mgic.com/rates/refundschedules.html.)
- **Assistance Singles** – These lender-paid mortgage insurance (LPMI) premiums must be paid by the lender, HFA or a person other than the borrower, and these premiums must not be charged separately to the borrower. If the loan were subject to the Homeowners Protection Act of 1998, these premiums would be considered to be "lender-paid mortgage insurance." Rates are based on lender location, whereas borrower-paid mortgage insurance (BPMI) rates are based on property location.

For information regarding this program, please contact your MGIC Account Manager or your MGIC Regional Underwriting Service Center. See MGIC's website, www.mgic.com, for additional information on rate filings and our complete Underwriting Guide.

MGIC Mortgage Insurance with Job Loss Protection

- Provides three years of mortgage payment protection against Involuntary Unemployment, Accidental Death and Dismemberment and Accidental Disability
- Available on MGIC-insured Michigan State Housing Development Authority (MSHDA) loans through an insurance policy issued to and paid for by MGIC
- Provided on eligible MGIC-insured loans at no additional cost to the lender or borrower

INVOLUNTARY UNEMPLOYMENT INSURANCE (IUI):

- | | |
|--|---|
| Monthly Mortgage Payment Benefit: | <ul style="list-style-type: none"> • Lesser of monthly PITI or \$1,500 • Up to six monthly mortgage payments available |
| Number of Covered Borrowers: | <ul style="list-style-type: none"> • Up to 2 • On multiple-borrower loans, the monthly PITI benefit payment is prorated based upon income |
| Vesting Period: | <ul style="list-style-type: none"> • 60 days from the loan closing date |
| Waiting Period: | <ul style="list-style-type: none"> • 30 days from the date of involuntary unemployment |

ACCIDENTAL DEATH AND DISMEMBERMENT AND ACCIDENTAL DISABILITY COVERAGE (AD&D AND AD):

- | | |
|--|---|
| Accidental Death and Dismemberment Benefit: | <ul style="list-style-type: none"> • \$12,000 for loss of life • Up to \$12,000 for accidental loss of hand, foot, sight, speech or hearing |
| Accidental Disability Weekly Benefit: | <ul style="list-style-type: none"> • 70% of the disabled borrower or co-borrower's weekly salary, not to exceed \$375 per week or \$1,500 per month • Up to 26 weekly payments available • 14-day waiting period |

JOB LOSS PROTECTION (JLP) – ADDITIONAL FEATURES:

- | | |
|-----------------------------------|---|
| Servicing: | <ul style="list-style-type: none"> • Benefit payments are administered by MGIC's JLP insurer and are paid to the loan servicer • Coverage is provided during the JLP coverage term as long as the MGIC mortgage insurance on the loan is still in force |
| Loan Eligibility Criteria: | <ul style="list-style-type: none"> • Amortization term must be greater than 25 years • Available on loans insured using MGIC's affordability+, Standard Borrower-Paid and Counseling-Reduced premium rates • Not available on loans insured under the following MGIC premium rate plans: <ul style="list-style-type: none"> - A- / Expanded Criteria - Alt-A / Reduced Documentation - SingleFile or Standard LPMI |
| Additional Provisions: | <ul style="list-style-type: none"> • Loans with JLP are ineligible for inclusion in the following programs: <ul style="list-style-type: none"> - MGIC Advantage - Agency SMC - Captive reinsurance and other risk share programs |

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|--------------------------------|---|
| MGIC Program ID Number: | <ul style="list-style-type: none"> • To request JLP on MSHDA loans, please provide the following MGIC Program ID number when submitting the loan to MGIC for mortgage insurance: <ul style="list-style-type: none"> - 1964 for loans insured using MGIC's affordability+ premium rates - 2881 for loans insured using MGIC Standard Borrower-Paid premium rates |
|--------------------------------|---|

Please note that the Involuntary Unemployment Insurance (IUI), Accidental Death and Dismemberment (AD&D) and Accidental Disability (AD) coverages described above are subject to conditions, exclusions and restrictions not necessarily included in this Summary. This Summary does not change the terms of the IUI, AD&D or AD Policies. In the event of a conflict between the Policies and this Summary, the terms of the Policies shall control.

MGIC has purchased these coverages from an unaffiliated insurer and is the insured under them. MGIC is not independently responsible for payments under those coverages. Benefit payments under the IUI, AD&D or AD Policies may be subject to state and federal income tax consequences. A tax advisor should be consulted concerning individual tax situations.