

MGIC

15 > 20

is greater than

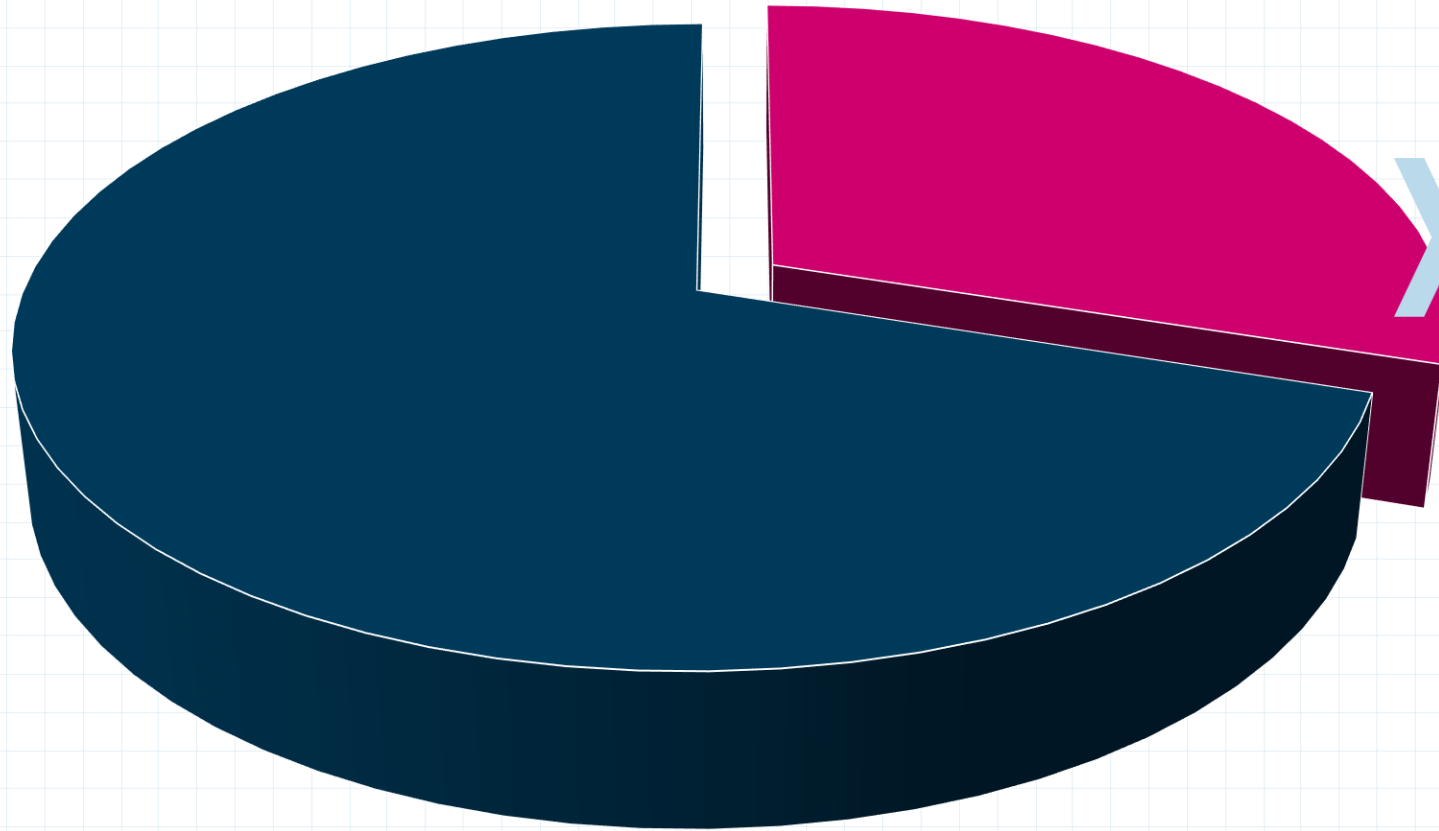
Presented by:
Hali Plachecki
MGIC Customer Trainer



Before we get started...

The information presented in this presentation is for general information only, and is based on guidelines and practices generally accepted within the mortgage finance industry and is not intended to be all-inclusive. MGIC makes no representations or warranties of any kind with respect to the accuracy, completeness or suitability for any purpose of the information contained in this presentation. MGIC expressly disclaims any and all warranties, express or implied, including without limitation warranties of merchantability and fitness for a particular purpose regarding these materials and this presentation. In no event will MGIC be liable for any direct, indirect, incidental, punitive or consequential damages of any kind with respect to the presentation or materials provided. All examples are hypothetical and are for illustrative purposes only. This presentation is not intended and should not be interpreted or relied upon as legal advice. We encourage you to seek advice from a qualified professional.

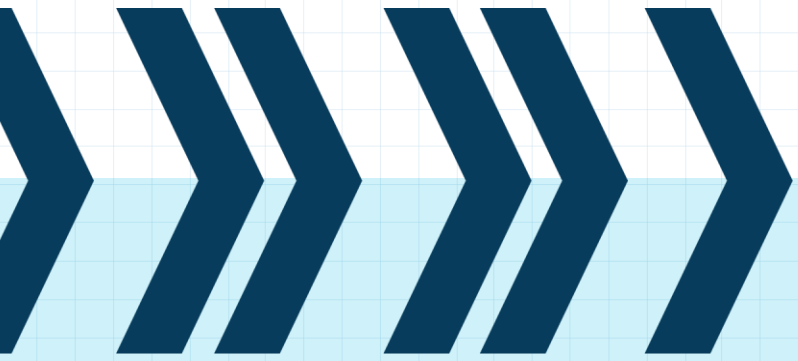
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»»»» **30%**

of 2017 & 2018 purchase loans
sold to Fannie Mae & Freddie Mac
were done at **75.01-80% LTV**

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**Why would a borrower
want to put less down?**

Top financial concerns of U.S. workers

	Millennial		Gen X		Baby Boomer	
	2018	2019	2018	2019	2018	2019
Not having enough emergency savings for unexpected expenses	48%	62%	51%	55%	41%	44%

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Main reasons U.S. workers withdraw money early from retirement account

	Millennial	Gen X	Baby Boomer
Deal with unexpected expenses	56%	53%	54%

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Within the first year...

new homeowners spend

\$8,233 - \$10,601

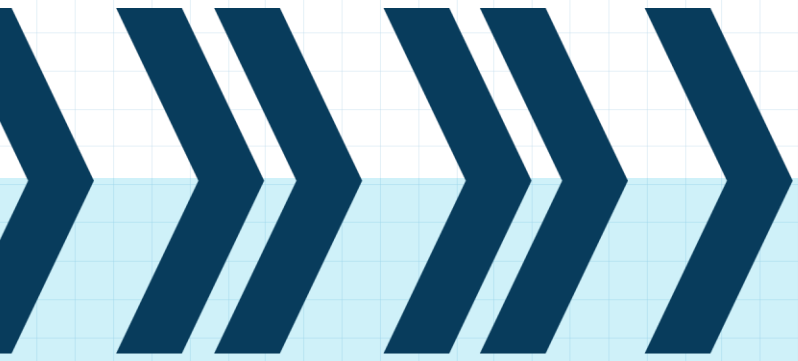
on average on appliances,
furnishings and home
improvements

*National Association of Home Builders special study,
Spending Patterns of Home Buyers, July 2017*

**60% of 2019 spring
home shoppers**

are considering a home that
needs renovating

realtor.com, April 15, 2019



LLPAs & Credit fees

Table 1: All Eligible Mortgages – LLPA by Credit Score/LTV Ratio

Representative Credit Score	LTV Range									
	Applicable for all mortgages with terms greater than 15 years									
	≤ 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	95.01 – 97.00%	>97.00%	SFC
≥ 740	0.000%	0.250%	0.250%	0.500%	0.250%	0.250%	0.250%	0.750%	0.750%	N/A
720 – 739	0.000%	0.250%	0.500%	0.750%	0.500%	0.500%	0.500%	1.000%	1.000%	N/A
700 – 719	0.000%	0.500%	1.000%	1.250%	1.000%	1.000%	1.000%	1.500%	1.500%	N/A
680 – 699	0.000%	0.500%	1.250%	1.750%	1.500%	1.250%	1.250%	1.500%	1.500%	N/A
660 – 679	0.000%	1.000%	2.250%	2.750%	2.750%	2.250%	2.250%	2.250%	2.250%	N/A
640 – 659	0.500%	1.250%	2.750%	3.000%	3.250%	2.750%	2.750%	2.750%	2.750%	N/A
620 – 639	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.500%	3.500%	N/A
< 620 ⁽¹⁾	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.750%	3.750%	N/A

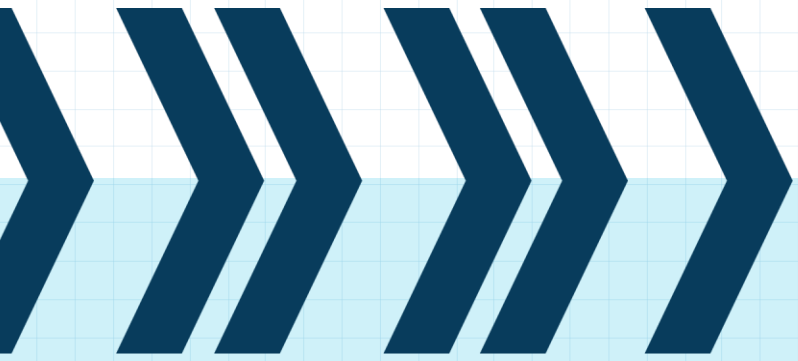
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≥ 740	0.000%	0.250%	0.250%	0.500%	0.250%	0.250%	0.250%	0.750%	0.750%	N/A
720 – 739	0.000%	0.250%	0.500%	0.750%	0.500%	0.500%	0.500%	1.000%	1.000%	N/A
700 – 719	0.000%	0.500%	1.000%	1.250%	1.000%	1.000%	1.000%	1.500%	1.500%	N/A
680 – 699	0.000%	0.500%	1.250%	1.750%	1.500%	1.250%	1.250%	1.500%	1.500%	N/A
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620 – 639	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.500%	3.500%	N/A
< 620 ⁽¹⁾	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.750%	3.750%	N/A

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INDICATOR SCORE / LOAN-TO-VALUE FOR MORTGAGES OTHER THAN RELIEF REFINANCE MORTGAGES ^{1, 2, 3}									
Effective for Settlement Dates on or before December 31, 2018									
Product	Credit Score ^{1, 2}	LTV Ratios							
		All Eligible							
		≤ 60%	> 60% & ≤ 70%	> 70% & ≤ 75%	> 75% & ≤ 80%	> 80% & ≤ 85%	> 85% & ≤ 90%	> 90% & ≤ 95%	> 95% & ≤ 97%
All Eligible Product	≥ 740	0.00%	0.25%	0.25%	0.50%	0.25%	0.25%	0.25%	0.75%
	≥ 720 & < 740	0.00%	0.25%	0.50%	0.75%	0.50%	0.50%	0.50%	1.00%
	≥ 700 & < 720	0.00%	0.50%	1.00%	1.25%	1.00%	1.00%	1.00%	1.50%
	≥ 680 & < 700	0.00%	0.50%	1.25%	1.75%	1.50%	1.25%	1.25%	1.50%
	≥ 660 & < 680	0.00%	1.00%	2.25%	2.75%	2.75%	2.25%	2.25%	2.25%
	≥ 640 & < 660	0.50%	1.25%	2.75%	3.00%	3.25%	2.75%	2.75%	2.75%
	≥ 620 & < 640	0.50%	1.50%	3.00%	3.00%	3.25%	3.25%	3.25%	3.50%
	< 620	0.50%	1.50%	3.00%	3.00%	3.25%	3.25%	3.25%	3.75%



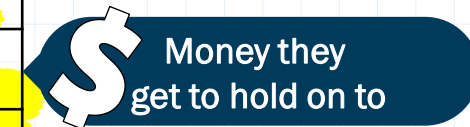
**Consider &
Compare**



	20%
Purchase price	\$300,000
Down payment	\$60,000
Amount borrower keeps	\$0
Loan amount	\$240,000
Monthly P&I	\$1,044

Assumes: Owner-occupied, primary residence; 3.25% interest rate with zero points.

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MGIC Non-refundable Single Premium	20%	15%
Purchase price	\$300,000	\$300,000
Down payment	\$60,000	\$45,000
Amount borrower keeps	\$0	\$15,000
Loan amount	\$240,000	\$255,000
Monthly P&I	\$1,044	
Difference in GSE loan-level price adjustment or discount points*	0	
MGIC borrower-paid non-refundable single MI premium	0	
Net difference, including MI**	0	

Assumes: Owner-occupied, primary residence; 3.25% interest rate with zero points. MI premium based on 30-year fixed loan; credit score 760; 2 borrowers; DTI less than 45%.

*For all mortgages except HomeReady® and Home Possible® loans

**Based on MiQ rates effective September 3, 2019 in Wisconsin. Numbers and calculations are rounded to nearest dollar and may differ slightly from actual results. Example meant for mortgage professional and illustration purposes only.

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Monthly P&I	\$1,044	\$1,110
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Purchase price	\$300,000	\$300,000
Down payment	\$60,000	\$45,000
Amount borrower keeps	\$0	\$15,000
Loan amount	\$240,000	\$255,000
Monthly P&I	\$1,288	\$1,369
Difference in GSE loan-level price adjustment or discount points*	0	-.25%
MGIC borrower-paid non-refundable single MI premium	0	
Net difference, including MI**	0	

Assumes: Owner-occupied, primary residence; 5% interest rate with zero points. MI premium based on 30-year fixed loan; credit score 760; 2 borrowers; DTI less than 45%.

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Amount borrower keeps	\$0	\$15,000
Loan amount	\$240,000	\$255,000
Monthly P&I	\$1,288	\$1,369
Difference in GSE loan-level price adjustment or discount points*	0	-.25%
MGIC borrower-paid non-refundable single MI premium	0	+.44%
Net difference, including MI**	0	+.19%

Assumes: Owner-occupied, primary residence; 3.25% interest rate with zero points. MI premium based on 30-year fixed loan; credit score 760; 2 borrowers; DTI less than 45%.

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15>20



 Extra
\$66 a month
& \$434 due
at closing

It would take
more than **19**
years to replace
that \$15,000
in savings at
\$66 a month!

15 > 20

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Purchase price	\$300,000	\$300,000
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Purchase price	\$300,000	\$300,000
Down payment	\$60,000	\$45,000
Amount borrower keeps	\$0	\$15,000
Loan amount	\$240,000	\$255,000
Interest rate	3.25%	3.125%
Monthly P&I	\$1,044	\$1,092
Estimated points to reduce interest rate	0	+.50%
Difference in GSE loan-level price adjustment or discount points*	0	
MGIC borrower-paid non-refundable single MI premium	0	
Net difference, including MI**	0	

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**Based on MiQ rates effective September 3, 2019 in Wisconsin. Numbers and calculations are rounded to nearest dollar and may differ slightly from actual results. Example meant for mortgage professional and illustration purposes only.

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 Extra
\$48 a month
& \$1,760 due
at closing

It would take
more than
26 years to
accumulate
\$15,000 in
savings at \$48 a
month!

15 > 20

MGIC Non-refundable Single Premium	20%	15%
Purchase price	\$300,000	\$300,000
Down payment	\$60,000	\$45,000
Amount borrower keeps	\$0	\$15,000
Loan amount	\$240,000	\$255,000
Interest rate	3.25%	3.125%
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MGIC Monthly MI Premium	20%	15%
Purchase price	\$300,000	\$300,000
Down payment	\$60,000	\$45,000
Amount borrower keeps	\$0	\$15,000
Loan amount	\$240,000	\$255,000
MGIC Monthly MI**	\$0	\$34
Monthly P&I + MI	\$1,044	\$1,144
Difference in GSE loan-level price adjustment or discount points*	0	-.25%

Assumes: Owner-occupied, primary residence; 3.25% interest rate with zero points. MI premium based on 30-year fixed loan; credit score 760; 2 borrowers; DTI less than 45%.

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Borrower reduces closing costs by more than \$500 and keeps \$15,000 in savings. It would take more than **12 years** to replace that savings amount... long after the MI would cancel!

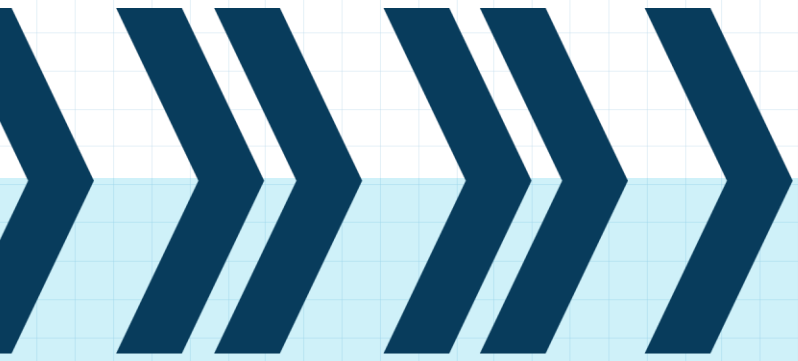
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Back to LLPAs & Credit fees

Table 5: HomeReady Mortgage Loans (Not applicable to High LTV Refinance)

Cumulative LLPA Caps

If the sum of all applicable LLPAs exceeds the caps listed below, the excess will be waived at delivery, except as follows: LLPAs for Minimum Mortgage Insurance Coverage Option (Table 4) are in addition to the LLPA caps

PRODUCT FEATURE	LLPA Caps	SFC
LTV > 80% and credit score \geq 680	0.000%	900
All other LTV ratios and credit score combinations	1.500%	900

HOME POSSIBLE AND HOME POSSIBLE ADVANTAGE MORTGAGES CAP ²³

Product	LTV Ratios	Credit Score	Cap
All Eligible Product	> 80%	\geq 680	0.00%
		< 680	1.50%
	\leq 80%	All	1.50%

community pro

Our Community Pro™ product presents a fresh alternative to the GSEs' 3% down and the FHA's 3.5% down programs:

- Differentiate yourself in the eyes of real estate agents
- Set your own rules: household income limits; geographic target areas, regardless of income; first-time homebuyer status; counseling requirements; and MI coverage
- Finance down payment and closing cost assistance up to 105% CLTV
- Satisfy community lending goals and expectations

Community Pro can help your borrowers:

- Increase their buying power
- Expand their cash-flow options
- Reduce their monthly mortgage payment

SPECIAL EVENT LIVE

30 minutes

How to Close the Affordability Gap with Community Pro™

Kevin Hearden

October 03, 11:00 AM

Register

Topics: Origination, Sales Strategies

– Description

Who Should Attend:

Senior Management, Managers

Overview:

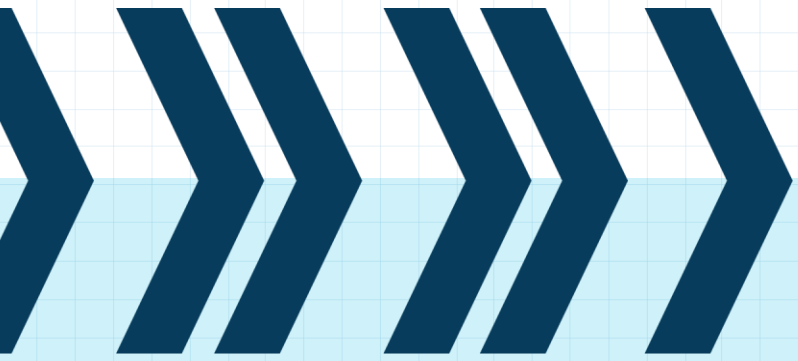
Are you concerned about your loan volume following Fannie Mae and Freddie Mac's recent changes to income limit and geographic guidelines for HomeReady® and Home Possible®?

Community Pro™ from MGIC can help by allowing you to define your own income and/or geographic standards. Learn how to leverage this product to close more loans and create more options for your borrowers.

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Why now?



**44% of
parents**

currently saving for family
college costs reported feeling
guilty that they haven't
stashed away more to date



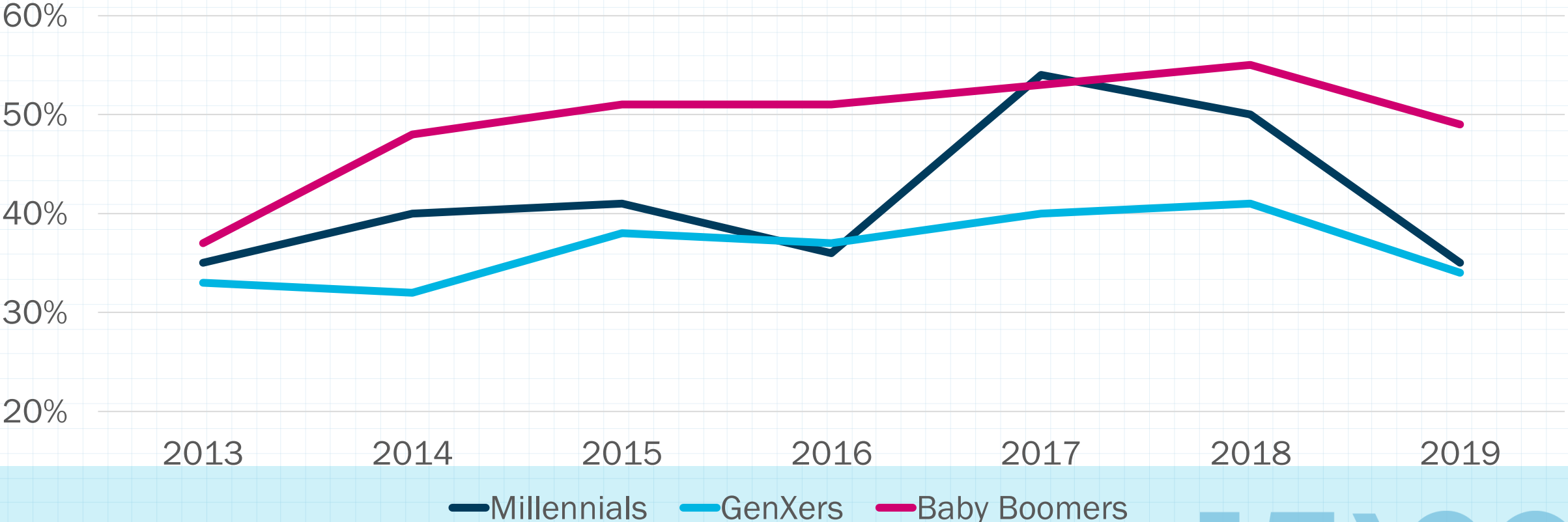
30% of Gen-Xers

Took a loan or withdrawal from retirement savings during the Great Recession



Retirement confidence

Those who are confident they will be able to retire when they want:



15 > 20



35% of U.S. workers

are most likely to seek financial help or guidance when making an important decision like buying a home

PWC Employee Financial Wellness Survey May 2019

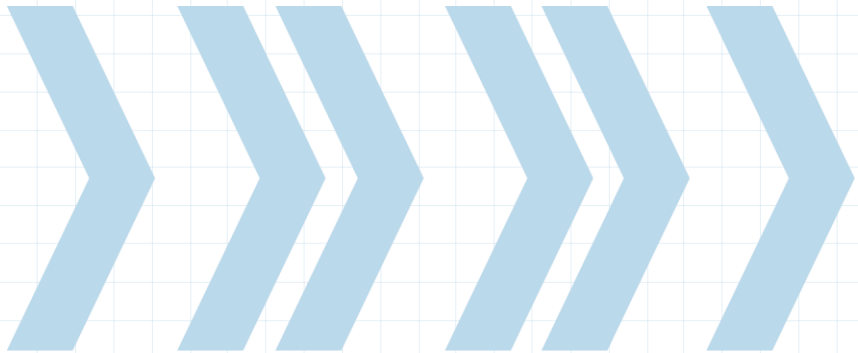
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**Looking to build
referral network?**

Great message for Financial Advisors!

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THANK YOU!

