

**Comparison of New Underwriting Eligibility Criteria**  
*Effective April 30, 2010*

This comparison includes only the changes being made to underwriting eligibility; items not included remain the same. The United Guaranty Underwriting Guide should be referenced for complete information on underwriting guidelines and eligibility criteria.

<b>Topic</b>	<b>Current Eligibility Criteria<sup>1</sup></b>	<b>NEW Eligibility Criteria<sup>1</sup> (Effective 4/30/2010)</b>
<b>1-Unit, Primary Residence, Purchase &amp; Rate/Term Refinance (excludes Condos &amp; Co-ops)</b>	<p><b>Stable Markets</b> (Non-Affordable Housing Loans)</p> <ul style="list-style-type: none"> <li>• 97% LTV – Ineligible</li> </ul> <p>(All)</p> <ul style="list-style-type: none"> <li>• 95% LTV to \$417,000; minimum 680 credit score</li> </ul> <p><b>Standard Declining Markets</b></p> <ul style="list-style-type: none"> <li>• 95% LTV – Ineligible</li> </ul>	<p><b>Stable Markets</b> (Non-Affordable Housing Loans)</p> <ul style="list-style-type: none"> <li>• 97% LTV to \$417,000; minimum 700 credit score               <ul style="list-style-type: none"> <li>– Minimum 3% borrower contribution from own funds</li> <li>– Fixed-rate/fixed-payment or ARMs with an initial fixed-rate period of 5 years or longer</li> <li>– All other United Guaranty underwriting guidelines and eligibility criteria apply</li> </ul> </li> </ul> <p>(All)</p> <ul style="list-style-type: none"> <li>• 95% LTV to \$417,000; minimum 660 credit score (Minimum 680 credit score for ARMs with an initial fixed-rate period of less than 5 years)</li> </ul> <p><b>Standard Declining Markets</b></p> <ul style="list-style-type: none"> <li>• 95% LTV to \$417,000, minimum 760 credit score</li> </ul>
<b>Condos, Primary Residence, Purchase &amp; Rate/Term Refinance</b>	<p><b>Stable Markets</b></p> <ul style="list-style-type: none"> <li>• 95% LTV to \$417,000; minimum 700 credit score</li> </ul> <p><b>All Declining Markets</b></p> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>	<p><b>Stable Markets</b></p> <ul style="list-style-type: none"> <li>• 95% LTV to \$417,000; minimum 680 credit score (Minimum 700 credit score for ARMs with an initial fixed-rate period of less than 5 years)</li> </ul> <p><i>No change to 90% LTV to \$625,500, minimum 700 credit score.</i></p> <p><b>Moderately Declining Markets</b></p> <ul style="list-style-type: none"> <li>• 90% LTV to \$417,000; minimum 720 credit score</li> </ul> <p><b>Standard &amp; Severely Declining Markets</b></p> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>
<b>Co-ops, Primary Residence, Purchase &amp; Rate/Term Refinance</b>	<p><b>Stable Markets</b></p> <ul style="list-style-type: none"> <li>• 90% LTV to \$625,500, minimum 700 credit score</li> </ul> <p><b>All Declining Markets</b></p> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>	<p><b>Stable Markets</b></p> <ul style="list-style-type: none"> <li>• 90% LTV to \$417,000; minimum 680 credit score (Minimum 700 credit score for ARMs with an initial fixed-rate period of less than 5 years)</li> </ul> <p><i>No change to 90% LTV to \$625,500; minimum 700 credit score.</i></p> <p><b>Moderately Declining Markets</b></p> <ul style="list-style-type: none"> <li>• 90% LTV to \$417,000; minimum 720 credit score</li> </ul> <p><b>Standard &amp; Severely Declining Markets</b></p> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>

<sup>1</sup> Minimum credit score is 740 for loans with a DTI ratio higher than 41% (see the Qualifying Ratios section within this document for more information).

Topic	Current Eligibility Criteria <sup>1</sup>	NEW Eligibility Criteria <sup>1</sup> (Effective 4/30/2010)
<b>Cash-out Refinance, 1-Unit, Primary Residence, SFD, SFA, Condos (Co-ops ineligible)</b>	<b>All Markets</b> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>	<b>Stable Markets</b> <ul style="list-style-type: none"> <li>• 85% LTV to \$417,000; minimum 680 credit score <ul style="list-style-type: none"> <li>– Subject to United Guaranty’s current definition for cash-out refinances</li> <li>– Fixed-rate/fixed-payment or ARMs with an initial fixed-rate period of 5 years or longer</li> <li>– Owned &lt;12 months, LTV based on lesser of original purchase price plus documented costs of improvements or current appraised value</li> <li>– Maximum \$100,000 cash-out</li> <li>– Properties listed for sale in last 12 months are ineligible</li> <li>– New subordinate financing is ineligible</li> <li>– TPO Type Broker ineligible</li> <li>– All other United Guaranty guidelines and eligibility criteria apply</li> </ul> </li> </ul> <b>All Declining Markets</b> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>
<b>Second Homes, SFD, Purchase &amp; Rate/Term Refinance</b>	<b>All Markets</b> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>	<b>Stable Markets</b> <ul style="list-style-type: none"> <li>• 90% LTV to \$417,000; minimum 720 credit score</li> <li>• 85% LTV to \$417,000; minimum 680 credit score <ul style="list-style-type: none"> <li>– Single-family detached properties only, attached properties, including condos and co-ops, are ineligible</li> <li>– Fixed-rate/fixed-payment or ARMs with an initial fixed-rate period of 5 years or longer</li> <li>– Property must be located in a recreational area, suitable for year-around occupancy, must be a reasonable distance from the primary residence, borrower must have exclusive control of the property, and not subject to any rental pools or agreements requiring the borrower to rent the property.</li> <li>– 6 months’ reserves for all properties owned</li> <li>– No rental income used for qualifying</li> <li>– TPO Type Broker ineligible</li> <li>– All other United Guaranty guidelines and eligibility criteria apply</li> </ul> </li> </ul> <b>All Declining Markets</b> <ul style="list-style-type: none"> <li>• Ineligible</li> </ul>

Topic	Current Eligibility Criteria <sup>1</sup>	NEW Eligibility Criteria <sup>1</sup> (Effective 4/30/2010)
<b>Third-Party Origination (TPO) Restrictions</b>	<ul style="list-style-type: none"> <li>• TPO restrictions apply to TPO types of Broker, Correspondent, and Joint Venture</li> <li>• TPO restrictions: <ul style="list-style-type: none"> <li>– Maximum 90% LTV</li> <li>– Minimum 720 credit score</li> <li>– Maximum 41% DTI ratio</li> <li>– Ineligible in Severely declining markets</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• TPO restrictions apply to Broker TPO loans <b>only</b> (as defined below).</li> <li>• TPO restrictions: <ul style="list-style-type: none"> <li>– Maximum 90% LTV</li> <li>– Minimum 700 credit score</li> <li>– Maximum 41% DTI ratio</li> <li>– Ineligible in Severely declining markets</li> <li>– Cash-out refinances are ineligible</li> <li>– Second homes are ineligible</li> </ul> </li> </ul> <p><b>Broker TPO Definition:</b>  United Guaranty defines “Broker TPO” for the purpose of mortgage insurance eligibility and pricing as a non-regulated entity that facilitates mortgage financing; however, does not have the ability to provide loan funding from own funds or warehouse line of credit. A mortgage broker typically takes the loan application, processes the loan, and then provides the loan documentation to the funding lender for underwriting and securing MI.</p>
<b>Qualifying Ratios</b>	<p>Loans <b>with</b> a DU Approve/Eligible or LP Accept/Eligible (No other qualifying ratios apply)</p> <ul style="list-style-type: none"> <li>• Maximum 41% DTI: <ul style="list-style-type: none"> <li>– Loan amounts &gt;\$417,000</li> <li>– Loans with credit scores &lt;740</li> <li>– TPO loans that are subject to TPO restrictions</li> <li>– Loans in Severely declining markets</li> </ul> </li> <li>• Maximum 45% DTI for all other loans</li> </ul> <p>Loans <b>without</b> a DU Approve/ Eligible or LP Accept/Eligible</p> <ul style="list-style-type: none"> <li>• Maximum 28/36%: <ul style="list-style-type: none"> <li>– LTVs &gt;95%</li> <li>– ARMs w/initial fixed rate period &lt;5years</li> <li>– Temporary Buydowns</li> </ul> </li> <li>• Maximum 33/38%: <ul style="list-style-type: none"> <li>– Fixed-rate/fixed-payment loans</li> <li>– ARMs w/initial fixed rate period &gt;5 years</li> </ul> </li> </ul>	<p>For all loans (no other qualifying ratio requirements other than those below)</p> <ul style="list-style-type: none"> <li>• Maximum 41% DTI: <ul style="list-style-type: none"> <li>– Loan amounts &gt;\$417,000</li> <li>– Loans with &gt;95% LTV</li> <li>– Loans with credit scores &lt;740</li> <li>– Broker TPO loans</li> <li>– Loans in Severely declining markets</li> </ul> </li> <li>• Maximum 45% DTI for all other loans</li> </ul>



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