

Fannie Mae's High-Balance Mortgage Loan Program, Freddie Mac's Super Conforming Mortgages, and Updates to www.ugcorp.com.

In response to Fannie Mae's new high-balance loan program and Freddie Mac's new super conforming loan program, United Guaranty is clarifying our position for jumbo loans.

Loans eligible for delivery to Fannie Mae and Freddie Mac with loan amounts above \$417,000 will continue to be eligible for mortgage insurance subject to United Guaranty's current GSE conforming jumbo guidelines and eligibility criteria.

Effective January 2, 2009, United Guaranty's guidelines and eligibility criteria for all loans over \$417,000 will be amended as follows:

- The maximum loan amount for jumbo loans will be lowered to \$625,500.
- Jumbo loans will be subject to the same qualifying ratio guidelines and eligibility criteria as conforming loans.

Also effective with the above changes, the "GSE Conforming Jumbo" section of United Guaranty's underwriting guide will be renamed "Jumbo Loans (\$417,001–625,500)."

Below are the complete guidelines and eligibility criteria for jumbo loans, effective for all applications received on or after January 2, 2009.

Jumbo Loans (\$417,001–625,500):

- 1-unit, primary residence only.
 - Purchase and rate/term refinance: maximum 90% LTV. (Maximum 85% LTV for declining markets.)
 - Cash-out refinances are ineligible.
- Minimum 700 credit score.
- 2–4 unit properties, second homes, and investment properties are ineligible.
- ARMs with initial fixed-rate period less than five years are ineligible.
- Interest-only loans are ineligible.
- Balloon mortgages are ineligible.
- Non-traditional credit is ineligible.
- Maximum seller contribution is 3%.
- Full appraisal with interior and exterior inspection required.
- Full income and asset documentation is required. DU/LP documentation efficiencies are ineligible.
- Ineligible in severely declining market states.
- All other United Guaranty underwriting guidelines and eligibility criteria apply, as does the Declining Market Policy.
- United Guaranty's Territorial Underwriting Guidelines apply.

Please be advised we have updated our **Ineligibility Matrix** and **Underwriting Guideline Summary** with the changes that became effective December 3, 2008. For more information, go to www.ugcorp.com.