



PMI Plaza  
 3003 Oak Road  
 Walnut Creek, CA 94597  
 Direct: (925) 658-7878  
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August 17, 2007

CUSTOMER NAME  
 CUSTOMER TITLE  
 CUSTOMER COMPANY  
 ADDRESS 1  
 ADDRESS 2  
 CITY STATE ZIP

**RE: Borrower-Paid and Lender-Paid Mortgage Insurance Guideline Changes**

Dear Mr./Mrs./Ms. CUSTOMER LAST NAME:

As a leading mortgage insurance provider, PMI continually monitors volatility in the marketplace, as well as adequacy and risk factors relative to our guidelines. We will keep evaluating these important factors as the mortgage market undergoes changes. Based on a recent review, we will be updating our borrower-paid and lender-paid mortgage insurance guidelines as follows, **effective September 17, 2007**:

- **PMI will no longer insure loans with LTVs greater than 95% that have FICO scores less than 575, regardless of the automated underwriting system (AUS) decision.**

In addition, mortgage insurance companies are subject to state oversight, and we recently received direction from the state of New York on its allowable maximum terms. As a result:

- **PMI will implement a new term limit schedule for *interest-only loans* on properties in New York State.**  
 The new term limits are as follows:

Loan Terms (Years)	Maximum Interest-Only Term (Years)
15	5
20	7
25	8
30	10
40	11

We recommend that you notify your branches and staff about these changes, and we appreciate your continued business. **If you have any questions, please contact your PMI representative or call 800.966.4PMI (4764).**

Sincerely,

Jesse Rivera  
 Vice President  
 Marketing & Primary Products