



PMI Mortgage Insurance Co.
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April 15, 2008

PMI Plaza
3003 Oak Road
Walnut Creek, CA 94597
Direct: (800) 288-1970
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RE: Limited Documentation & PMI Distressed Markets List Changes – Effective June 1, 2008

Dear Valued Customer:

As a result of housing market performance, and in order to continue to provide support for your ability to facilitate sustainable homeownership for qualified borrowers, PMI is making the following changes:

- **Limited Documentation loans will no longer be eligible**
- **PMI Distressed Markets List will be updated**

Limited Documentation Loans

Limited Documentation loans will no longer be eligible for mortgage insurance. This includes any loan with stated income or stated assets such as Stated Income/Verified Assets (SIVA), Verified Income/Stated Assets (VISA) or Stated Income/Stated Assets (SISA). Effective June 1, the Limited Documentation rate sheet will be removed from our website and the online PMI Program Guideline Summary will be updated.

Please note that this change *does not include* Full Documentation loans that receive Desktop Underwriter® or Loan Prospector® document efficiencies. Where appropriate, alternate documentation is still acceptable, e.g., pay stubs and W-2s in lieu of Verification of Employment, and bank statement copies in lieu of Verification of Deposit.

PMI Distressed Markets List

Based on our analysis of recently released economic data and continued volatility in the housing market, we are updating the PMI Distressed Markets List as follows:

- New counties (non-metro areas) in California and Florida will be added
- New MSA/MSADs in District of Columbia, Florida, Indiana, Ohio will be added

Additionally, due to concern about dramatic increases in unsold condominium inventory in Florida, we are temporarily eliminating eligibility for condominiums in six MSA/MSADs.

Please see the attached PMI Distressed Markets List for further details. We continue to evaluate market trends in all areas of the country and will update this list as needed.

PMI is committed to achieving affordable, responsible and sustainable homeownership in the communities we serve, and we appreciate the opportunity to work with you to achieve this goal. If you have any questions, please contact your PMI representative or call **800.966.4PMI (4764)**.

Sincerely,

A handwritten signature in cursive script that reads "Angela Karanas".

Angela Karanas
Vice President
Credit Risk Management

Attachment: PMI Distressed Markets List

DISTRESSED MARKETS LIST

(Updates shown in bold are effective 6/1/08)

For properties located in the following states, MSA/MSADs, or non-MSA areas—the LTV ratio must be reduced five percentage points (5%) below the maximum financing allowed for the selected program or product, not to exceed 90%.

State

California

State	MSA/MSAD Name	State	MSA/MSAD Name
AZ	Phoenix-Mesa-Scottsdale, AZ	IN	Terre Haute, IN
AZ	Prescott, AZ	MA	Barnstable Town, MA
AZ	Lake Havasu City-Kingman, AZ	MI	Ann Arbor, MI
AZ	Yuma, AZ	MI	Battle Creek, MI
DC	Washington-Arlington-Alexandria, DC-VA-MD-WV MSAD	MI	Bay City, MI
FL	Cape Coral-Fort Myers, FL	MI	Detroit-Livonia-Dearborn, MI
FL	Deltona-Daytona Beach-Ormond Beach, FL	MI	Flint, MI
FL	Fort Lauderdale-Pompano Beach-Deerfield, FL	MI	Grand Rapids-Wyoming, MI
FL	Fort Walton Beach-Crestview-Destin, FL	MI	Holland-Grand Haven, MI
FL	Jacksonville, FL	MI	Jackson, MI
FL	Lakeland, FL	MI	Kalamazoo-Portage, MI
FL	Miami-Miami Beach-Kendall, FL	MI	Lansing-East Lansing, MI
FL	Naples-Marco Island, FL	MI	Monroe, MI
FL	Ocala, FL	MI	Muskegon-North Shores, MI
FL	Orlando-Kissimmee, FL	MI	Niles-Benton Harbor, MI
FL	Palm Bay-Melbourne-Titusville, FL	MI	Saginaw-Saginaw Township North, MI
FL	Palm Coast, FL	MI	Warren-Troy-Farmington Hills, MI
FL	Panama City-Lynn Haven, FL	MS	Gulfport-Biloxi, MS
FL	Pensacola-Ferry Pass-Brent, FL	NJ	Atlantic City, NJ
FL	Port St. Lucie, FL	NJ	Ocean City, NJ
FL	Punta Gorda, FL	NV	Carson City, NV
FL	Sarasota-Bradenton-Venice, FL	NV	Las Vegas-Paradise, NV
FL	Sebastian-Vero Beach, FL	NV	Reno-Sparks, NV
FL	Tampa-St. Petersburg-Clearwater, FL	OH	Sandusky, OH
FL	West Palm Beach-Boca Raton-Boynton Beach, FL	OH	Springfield, OH
FL	Includes the following Non-MSA Areas/ Counties of Florida:	OR	Bend, OR
	<ul style="list-style-type: none"> <li style="width: 33%;">• Bradford <li style="width: 33%;">• Gulf <li style="width: 33%;">• Liberty <li style="width: 33%;">• Calhoun <li style="width: 33%;">• Hamilton <li style="width: 33%;">• Madison <li style="width: 33%;">• Dixie <li style="width: 33%;">• Holmes <li style="width: 33%;">• Taylor <li style="width: 33%;">• Franklin <li style="width: 33%;">• Jackson <li style="width: 33%;">• Union <li style="width: 33%;">• Glades <li style="width: 33%;">• Levy <li style="width: 33%;">• Walton 	RI-MA	Providence-New Bedford-Fall River, RI-MA
		SC	Myrtle Beach-Conway-North Myrtle Beach, SC
		VA-WV	Winchester, VA-WV

The following are not eligible:

- Loans with negative amortization; or Option Payment mortgages
- A-Minus loans
- Cash-out refinances
- Limited documentation
- Investment properties
- **Florida condominiums in the following MSA/MSADs:**
 - **Deltona-Daytona Beach-Ormond Beach, FL**
 - **Fort Lauderdale-Pompano Beach-Deerfield Beach, FL**
 - **Miami-Miami Beach-Kendall, FL**
 - **Naples-Marco Island, FL**
 - **Pensacola-Ferry Pass-Brent, FL**
 - **West Palm Beach-Boca Raton-Boynton Beach, FL**