



**AIG United Guaranty  
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## **Product Update Announcement:** AIG products reflect Government of Canada Guarantee Provisions set by the Department of Finance

AIG mortgage insurance is pleased to announce that its product line-up has been amended to reflect the new Government of Canada Guarantee provisions set by the Department of Finance for loans that are default insured.

### **PRODUCT CHANGES – HIGHLIGHTS**

#### **Loan to value:**

The maximum loan to value (LTV) for all mortgage loan applications will be **95%**.

#### **Amortization:**

The maximum amortization period will be **35 years**.

#### **Product Suite:**

The following products will no longer be available:

1. **Advantage 100**
2. **Advantage 97**
3. **Flex 97**

AIG's updated product offering and detailed product sheets are available at [www.aigug.ca](http://www.aigug.ca).

#### **Submissions:**

The changes to AIG's mortgage products will come into effect for all new applications that are received and funded on or after October 15, 2008.

The changes will not apply to mortgage loan applications that have been received, or are already in process, on or before October 14, 2008.

Requests submitted after the October 15, 2008 cut-off may still be eligible for the Government Guarantee.

Examples would include scenarios that would occur on or before October 14, 2008 where:

1. A legally binding purchase and sale agreement was made by a borrower where the closing date of the loan will occur after October 14, 2008.
2. A legally binding lending commitment was made between a borrower and a lender.
3. An application for mortgage insurance has been submitted to AIG.

Please contact our National Underwriting Centre at 1.877.244.8422 for further details.

**Exception Reporting:**

An "exception bucket" equating to 3% of a lender's funded portfolio has been established by the Government of Canada that will take effect on April 1, 2010.

The 3% "exception bucket" allows our lender partners the ability to maintain the Government Guarantee eligibility for mortgage loans that do not meet the minimum credit score requirement; where at least one borrower or guarantor has a minimum credit score that is greater than or equal to 600.

AIG will provide the necessary regularly scheduled monitoring and reporting required to advise our lender partners of the percentage of loans that are outside of the Government Guarantee provisions.

**AIG Equity Assist<sup>sm</sup> Product:**

The policy guidelines of AIG's Equity Assist<sup>sm</sup> product have not changed for the following reasons:

The Equity Assist<sup>sm</sup> product parameters will allow our lender partners to utilize the 3% exception loans criteria bucket that permits high ratio deals, falling below the credit score floor of 600, to still qualify for the Government Guarantee.

Although the application may qualify for the Government Guarantee (i.e. one of the borrowers has a credit score of greater than or equal to 600), the application itself may only qualify under the Equity Assist<sup>sm</sup> guidelines and applicable premiums.

**FOR MORE INFORMATION**

If you require further information on these changes, please contact your local account executive or our National Underwriting Centre at 1.877.244.8422.



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