KEY FACTS ABOUT MORTGAGE INSURANCE

U.S. Mortgage Insurers (USMI) is dedicated to a housing finance system backed by private capital that enables access to housing finance for borrowers while protecting taxpayers. Mortgage insurance (MI) offers an effective way to make mortgage credit available to more people. USMI is ready to help build the future of homeownership.

MI Works For Homeowners

Mortgage insurance has helped millions become homeowners by enhancing their ability to borrow in an affordable way by reducing the risk of their loans

- Coming up with the required down payment can be one of the biggest hurdles to homeownership. It could take **about 20 years for the average firefighter or schoolteacher** to save a typical 20 percent down payment.[1]

- Requirements for a substantial down payment can be a significant barrier for first-time homebuyers. **Nearly 50 percent of loans covered by MI in the past year were for first time homebuyers**.[2]

- In the past year, MI helped more than **half a million homeowners** (700,000) purchase or refinance a mortgage. Nearly half of those served by MI were first-time homebuyers and **more than a third (37 percent) were borrowers with incomes below $75,000**.[3]

- Like mortgage interest payments, taxpayers have been able to deduct MI premiums from federal income taxes since 2007. From 2007 to 2011, over **17 million taxpayers** were able to take this deduction, and nearly **$22 billion was deducted from income federal taxes**.[4]

- In 2014, MI covered **14.8 percent ($176B) of total mortgage originations ($1.19T)**, up from 4.3 percent in 2010.[5]

- MI currently accounts for **35 percent** of the insured market.[6]

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[1] Center for Responsible Lending
[2] USMI Mortgage Finance Snapshot – October 2015
[3] USMI Mortgage Finance Snapshot – October 2015
[4] IRS
[5] Inside Mortgage Finance – 2014 year end data
[6] Inside Mortgage Finance – Q2 2015 data

MI Protects Taxpayers

In addition to helping borrowers purchase a home, MI also helps reduce risks for taxpayers because it is a safe and sound source of private capital. Mortgage insurance is a first level of credit protection against the risk of loss on a mortgage in the event a borrower is not able to repay the loan and there is not sufficient equity in the home to cover the amount owed.

- The MI industry has covered approximately **$50 billion in claims for GSE losses**, which represents a substantial savings to taxpayers.[7]

- About **$500 billion in GSEs mortgages** currently outstanding have protection from MI coverage, reducing taxpayer exposure to mortgage losses in the event of another housing downturn.[8]

- In the past year, **approximately 18 percent of GSE purchase mortgages** were backed by MI – up from 16.9 percent a year ago – providing taxpayers with significant first-loss protection.[9]

- Today's MI industry is attracting new private capital to back housing finance, with about $9 billion in new capital invested since 2007.[10]

About USMI

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[7] USMI member company data
[8] USMI member company data
[9] Inside Mortgage Finance & Mortgage Bankers Association – Q3 2014 data
[10] USMI member company data