

Private Mortgage Insurance Expands Consumer Options

MI WORKS FOR HOMEOWNERSHIP

Private Mortgage Insurance (MI) provides consumers with an attractive and affordable option, helping millions become homeowners by enhancing their ability to obtain a mortgage in an affordable way by reducing the risk of their loans to lenders.

MI Makes Homeownership Affordable

\$200,000
MORTGAGE



\$10,000
DOWN PAYMENT

MI provides a faster, safer and affordable path to homeownership. When borrowers make less than a 20% down payment, MI protects the lender by covering the first losses in case of default.

After borrowers pay down the mortgage to 78% of the home value, MI is cancelled and they no longer have to pay the MI premium. With home value appreciation a borrower may even be able to cancel sooner!

Thanks,
MI!

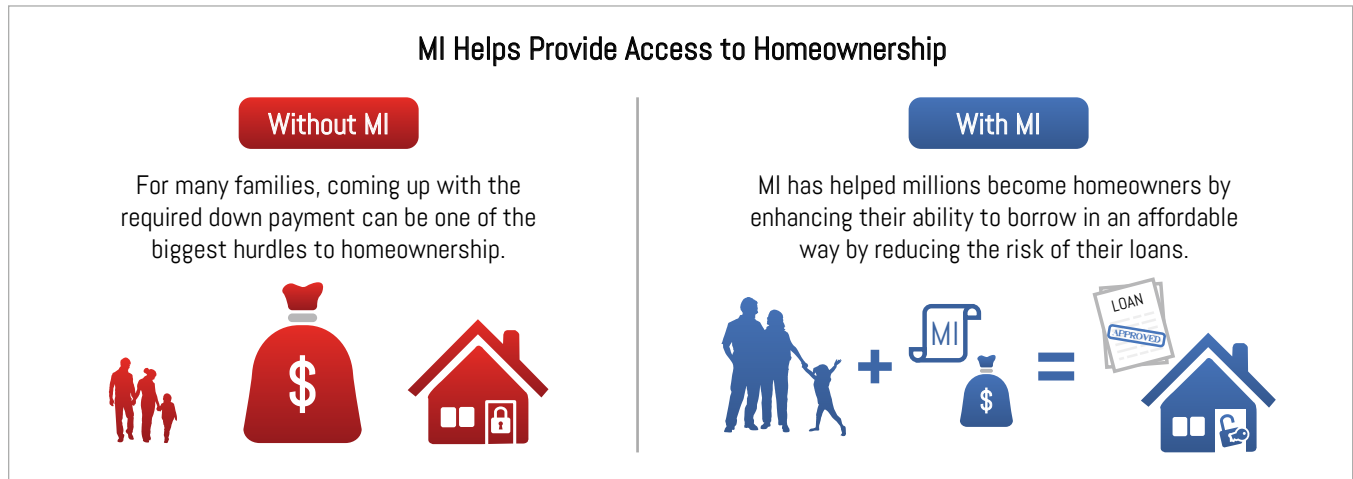
MI premiums are tax deductible for many borrowers.

MI HELPS FIRST-TIME AND LOW TO MODERATE INCOME HOMEBUYERS

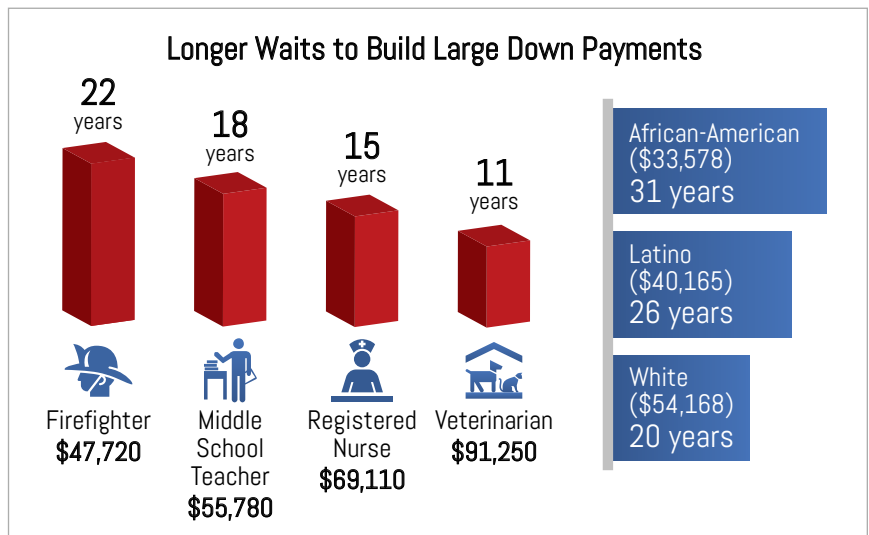
In the past year alone, MI expanded consumer access to mortgage finance to more than 740,000 new homeowners. Nearly half of those served by MI were first-time homebuyers, and more than 40 percent were borrowers with incomes below \$75,000.

MI HELPS WITH PROHIBITIVE DOWN PAYMENTS

MI enables people to obtain a mortgage that they would otherwise not be able to qualify for because of a prohibitive down payment. In this way, MI helps people get into the home of their choice by removing barriers to accomplishing that important goal.



Borrowers who are not able to make a substantial down payment — typically 20 percent of the home value — are viewed by lenders as a higher credit risk. Yet, for many families, coming up with the required down payment can be one of the biggest hurdles to homeownership. For example, it could take about 20 years for the average firefighter or schoolteacher to save a typical 20 percent down payment.



MI CANCELLATION MAKES HOMEOWNERSHIP MORE AFFORDABLE

And unlike FHA or other options that can require a higher interest rate or charge extra fees for the entire life of a loan, private MI paid by the borrower is cancellable, leading to potential savings over the life of their loan. MI is cancelled when the mortgage is scheduled to reach 78 percent of the original value of the property and the borrower is current on payments.

MI IS TAX DEDUCTIBLE

MI premiums are also tax deductible for qualified taxpayers. According to the IRS, 4.7 million taxpayers benefited from deductions for MI in 2013.

MI WORKS FOR HOMEOWNERS

Consumers should be fully informed of all the options — and the benefits of MI — before making one of the most significant purchases in their lives.