

Borrower-paid mortgage insurance (BPMI)

Split Premiums



Borrower-paid Split Premiums give your borrowers the option of paying part of the MI premium up front to reduce the monthly MI premium paid with their mortgage payment.

Advantages

Multiple upfront options

We offer 6 different upfront options that allow you to custom-fit the right option for your borrower.

Flexibility

The borrowers, seller, builder or other third party can pay the upfront portion of the premium at closing. Lenders may offer a lender credit to cover the cost. The borrowers can also opt to finance the upfront premium into the loan amount.*

Monthly portion is cancellable

Borrowers can request cancellation on the monthly portion of the premium based on investor requirements or under the Homeowners Protection Act of 1998 (HPA). Lenders must automatically cancel under HPA terms.

*While base LTV is used to determine MI coverage requirements, financing the premium into the loan amount may increase the total LTV/CLTV. Check investor guidelines.

3% points & fees impact

The amount paid up front is non-refundable. Include the entire amount in any points & fees calculations. The monthly premium has no impact.

Loan Estimate (LE) and Closing Disclosure (CD)

Disclose borrower-paid Split Premiums in the Projected Payments table on both the LE and CD. The upfront amount is also reflected in the Closing Cost Details. Zero tolerance applies to the upfront portion paid at consummation.

Consider borrower-paid Split Premiums for borrowers who want to:

- Reduce their monthly mortgage payment
- Get the seller or builder to pay the upfront portion – especially in a buyer's market
- Qualify for MI cancellation sooner by making extra payments that reduce the mortgage balance ahead of the original amortization schedule or home improvements that result in an increase in the appraised value

Explore all our premium plans at mgic.com/plans

Get a quick quote at mgic.com/miq or contact us for more information about our MI Solutions at mgic.com/contact

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