

**the skinny
on MI:
mortgage
insurance
allows you to
put less than
20% down on
a house.**

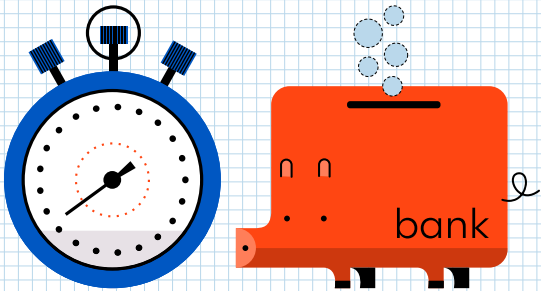
Also called MI, private MI or PMI, mortgage insurance is generally required on home loans with down payments of less than 20% of the property value. It's an insurance policy that reduces the amount a lender loses in the event that borrowers don't repay their mortgage.

MGIC

WITH MI, YOU

buy sooner

Waiting to buy while you save up enough for a 20% down payment could actually cost you money if home prices or interest rates rise. And during the time you spend renting and saving, you won't be building equity or enjoying a home of your own.



buy peace of mind by keeping some of your money

There are many reasons you might want to reserve some of the money you've saved instead of putting it all toward a 20% down payment.

You might want to put that money toward:

- Appliances, furniture and lawn equipment
- Home renovations
- A rainy-day fund

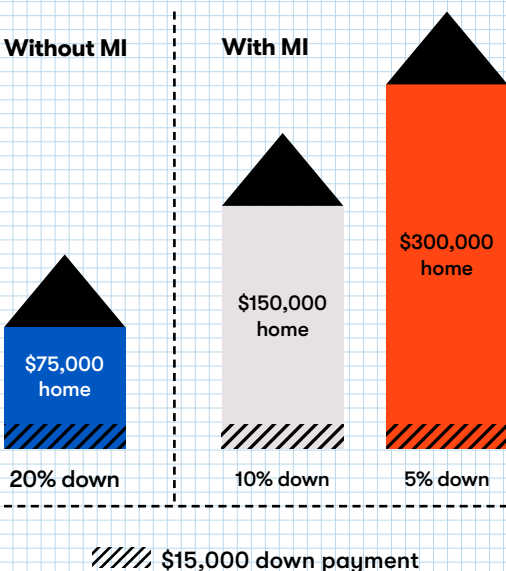
MI lets you buy a home now and keep some of your hard-earned savings.

YOU CAN...

buy more house

MI gives you more flexibility in your homebuying budget, allowing you to consider a wider range of home prices and available homes for sale.

Let's say you've saved \$15,000 for a down payment.



Without MI, you could make a 20% down payment on a \$75,000 home. **With MI**, you could make a 10% down payment on a \$150,000 home or a 5% down payment on a \$300,000 home—assuming, of course, that you can afford the higher monthly payment that accompanies the larger home price.

And for most loans, private MI is a temporary expense. You might wave goodbye to MI before you get around to repainting the dining room.

You may request private MI cancellation when your mortgage balance reaches 80% of the original property value – because you’ve made all scheduled payments or extra payments ahead of schedule. (Original value means the lesser of the sales price and the original appraised value.) You can also ask your lender to cancel MI based on an increase in your property’s appraised value. In both scenarios, other requirements may apply. Ask your lender for details.

Learn more at [readyneest.com/cancel-MI](https://www.readyneest.com/cancel-MI)

PRIVATE MI OR FHA?

Private MI is the private sector’s alternative to Federal Housing Administration (FHA) mortgage insurance, a government program backed by taxpayers. FHA financing is a great option for many borrowers, but private MI does offer several advantages:

- Not having to pay an upfront premium, which most FHA borrowers finance into their loan amount
- A lower loan amount (no financed upfront premium)
- A lower monthly mortgage payment
- Greater home equity
- The chance to cancel MI sooner

Andrea bought a fixer-upper and kept cash for renovations.

Liz used MI to snap up a turnkey gem in a desirable neighborhood.

Amy bought a home at only 23 years old.

Find their stories at
Readynest by MGIC

Go to readynest.com for a step-by-step tour of the homebuying process, plus stories, a glossary, calculators, worksheets, infographics, videos and more.



Readynest by MGIC

What would you pay for more possibilities?

The most common private MI option is a monthly premium paid by the borrower. A lot of factors go into calculating what MI might cost, including your credit history, how much you put down, the terms of your loan, etc. That makes it pretty hard to put some real numbers in a brochure we print in bulk!

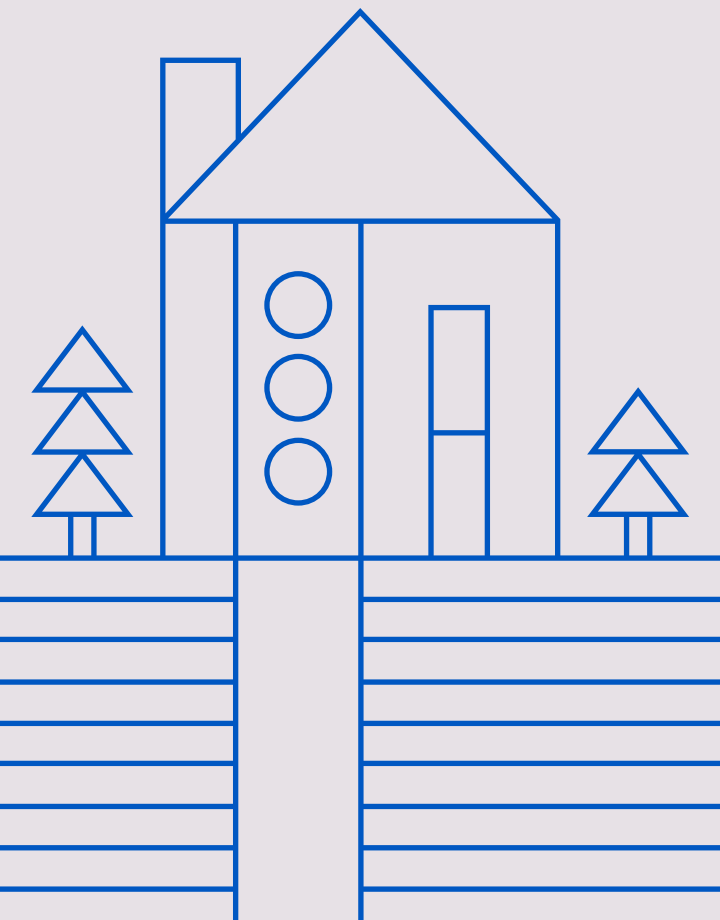
To truly get an idea of how MI might fit into your personal situation, try our Buy Now vs. Wait calculator. It includes average MI estimates to help you see how buying a home now compares to waiting to save up a bigger down payment.

Run your own numbers at mgic.com/buynow

Ask your lender to run some numbers for you

Talk to your lender about all your financing options, including private mortgage insurance. He or she can help you understand all the factors going into your unique mortgage decision.

Private MI isn't the right fit for every mortgage situation, but in many cases, it can help you buy sooner, buy more, or save money for other financial priorities. Once you know all of your options, you can pick the one that works best for you.



Historically, making a 20% down payment has been a difficult hurdle to clear for many homebuyers. MGIC has been helping people overcome that barrier and find their way home for more than 60 years.

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