MGIC

More options. More sales opportunities.

Designed for real estate agents

Tips for a successful discussion/presentation

Along with our presentation slides, this presenter guide is all you need to host a meeting for potential real estate partners. The following pages include discussion points for each slide.

While MGIC, your mortgage insurance partner, created this presentation, you are delivering it. You can use those opportunities within the presentation to share how you've helped your partners solve similar situations and what your company offers.

Don't forget your downloads!

Download the *"MI Solutions: More options. More sales opportunities."* slide deck and flyer at mgic.com/tools/mi-solutions/mi-for-real-estate-agents/resources.

Figure out your format

Determine the best way for you to deliver the material to referral partners. Here are some suggestions:

- Present the information over a brief, 15–30 minute breakfast meeting with coffee and bagels on you
- Use the slides to steer a one-on-one discussion over Zoom
- Or just familiarize yourself with the information and use it to facilitate a discussion, tailored to certain agents' needs

Presenter tips

- Study the presentation notes to become familiar and comfortable with the information you'll be presenting. Practice!
- Engage participants with questions, pause and listen
- Throughout your discussion, share your experience with similar situations and weave in how you and your company can support them

Welcome! So who doesn't want to offer their borrowers more options and have more sales opportunities?! Today I'm going to share with you how I rediscovered or reconsidered some options I'd set aside.
Introduce self, experience, how you can help them.

Recently, I was reminded of the value of exploring options I may not have considered or forgotten about – it's helped me solve issues and expand my market and I wanted to share some of these ideas with you.

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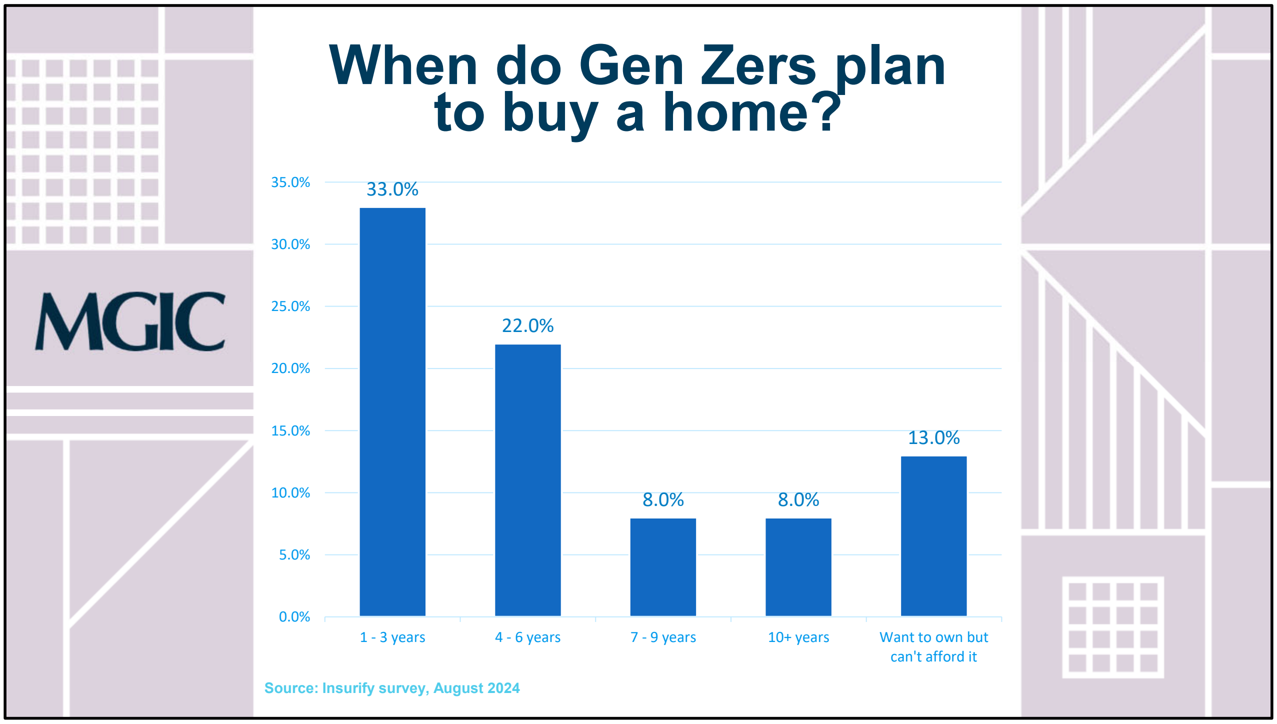
Many homebuyers begin their homebuying journey based on how much money they have. From there they think about the home they can afford or would like to buy – and of course that's where you come in to guide them on their homebuying opportunities.

Occasionally, do you find that buyers may not have an idea of what they can afford or what their options are? Or sometimes you might encounter a problem to solve – maybe an appraisal issue or a home on the market that's beyond what they think they can afford, or maybe the home is affordable but needs some work. Today, we'll address some of these obstacles and how, together, we can expand those options or address those obstacles.

Sometimes, to help your borrowers expand their homebuying options, you need to change the conversation.

Your borrowers may have a fixed idea of their budget in mind that limits them – or they may not have a good sense of their budget at all.

Mortgage insurance can be a strategy that helps you and your buyers expand options – but many consumers think of MI as simply a requirement to fulfill when the borrower has no choice because they don't have 20% to put down. We need to dispel the myth that MI is merely a lender benefit that the buyer pays for and help potential homebuyers understand the immense benefits MI provides all different types of homebuyers. Which is what we are going to do today. But first!....

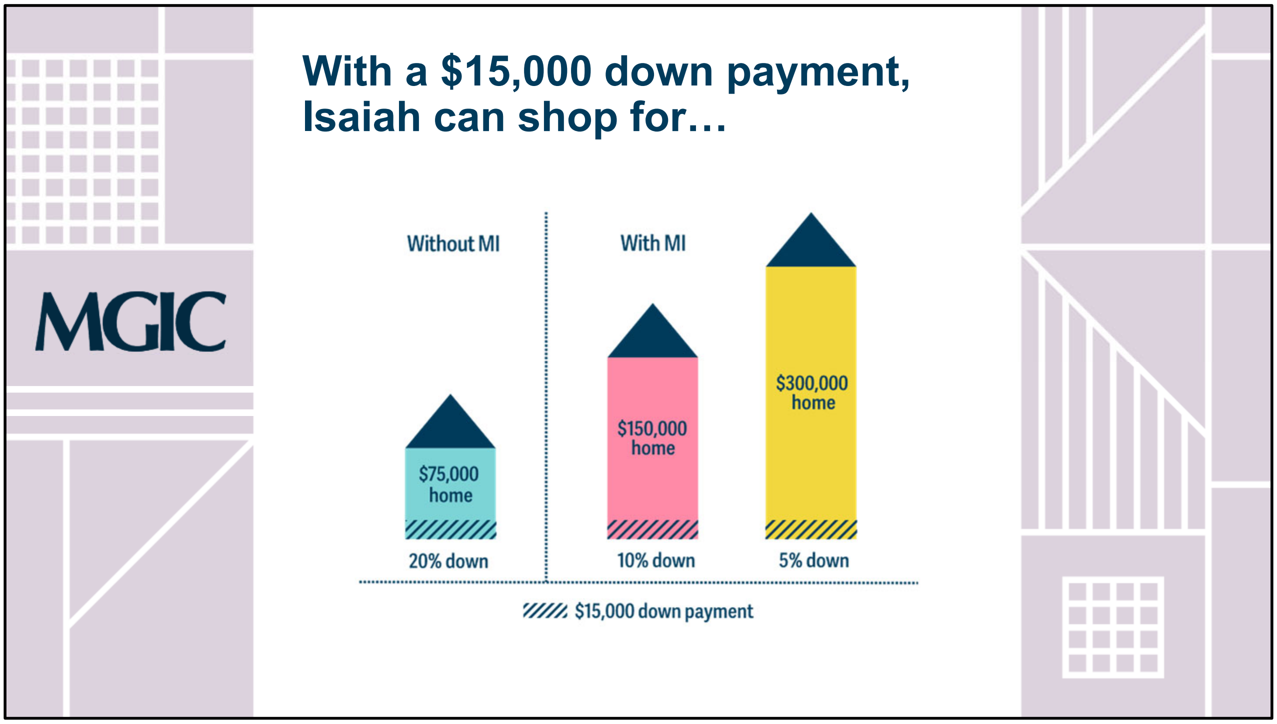


Let's talk about the next wave of buyers. Most Gen Zers, that generation born between 1995 and 2012 that is coming behind the Millennials, want to buy a home. Generation Z appears very motivated to buy a home...according to a recent Insurify survey, 55% are planning to buy within the next 6 years.

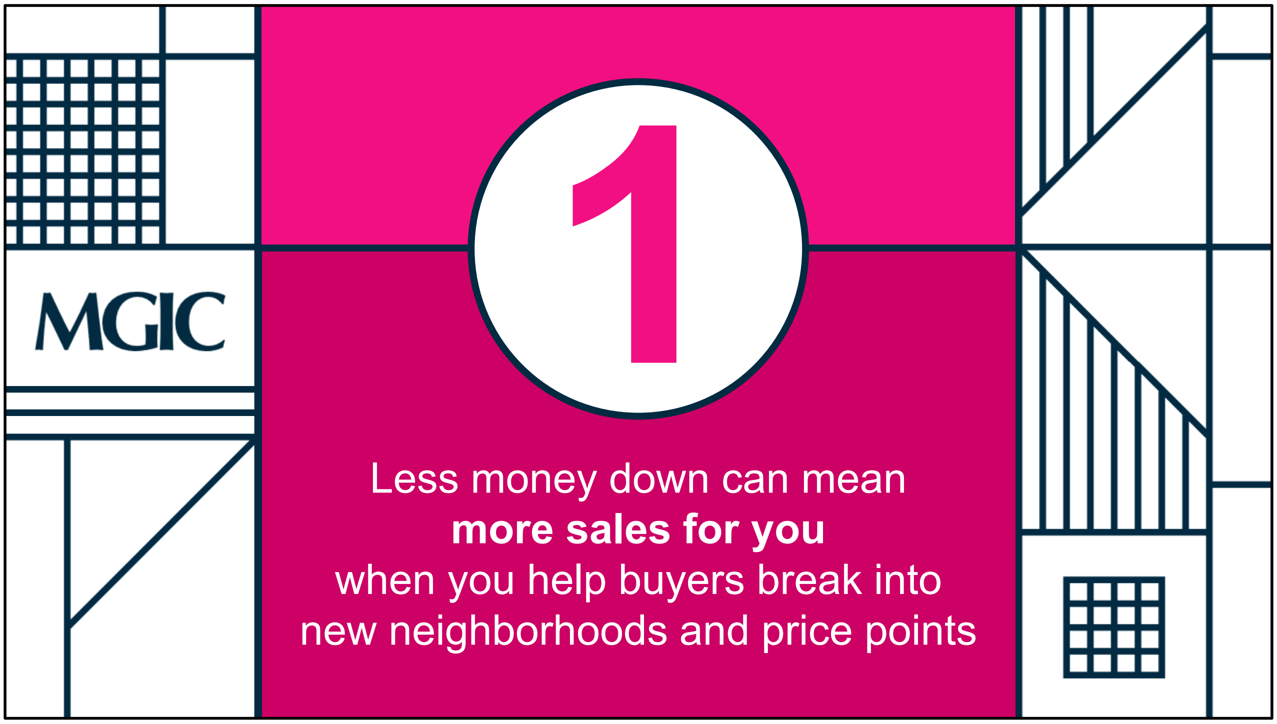
Gen Zers want to become homeowners – but many of them have misconceptions about what it takes to buy. 39% of Gen Zers think it's necessary to put 20% down.

Meet Isaiah,
first-time homebuyer

Let's look at our example of a Gen Z first-time homebuyer, Isaiah. He graduated from college a few years ago and has been focused on saving money since then; now he's started thinking that he wants to have a home of his own. In our example, he's saved $15,000. But he is part of the 39% of Gen Zers who think he needs to put 20% down. Maybe his parents have even told him he should hold off on buying until he can save up more money for a down payment. Should Isaiah start looking to buy a home? Or should he wait until he has more money saved?



Isaiah **could** buy now with his $15,000 down payment – if he considers a loan with MI. 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



Expand your buyers' house hunting options. Less money down can mean more sales for you when you help buyers break into new neighborhoods and price points with the increased buying power of private MI – assuming, of course, that they can afford the higher monthly payment that accompanies the larger home price.

Have you ever encountered a gap in the appraised value vs the sales price? This may be occurring less often than in recent markets, but can happen in any market.

Let’s look at an example – meet Jasmine and John. After putting in several offers, they finally had the winning bid! But the appraisal came in lower than their offer. Let’s take a look at the details of their transaction.

The dreaded appraisal gap

$400,000 Purchase Price	Jasmine and John's original expectation (20% down)	Low appraisal with an additional down payment	Low appraisal with MGIC BPMI monthly
Appraised value	$400,000	$380,000	$380,000
Down payment	$80,000	$96,000[1]	$80,000
Loan amount	$320,000	$304,000	$320,000
LTV	80%	80%	84.2%
MI premium[2]	n/a	n/a	$26/month
Additional cost at closing	**n/a**	**$16,000**	**n/a**
Monthly MI	$0	$0	$27
Monthly P&I + MI	**$2,076**	**$1,972**	**$2,102**

[1] $20,000 difference in purchase price and appraised value + $76,000 to bring loan amount to 80% LTV. [2] MI premium based on rates as of 1/23/25 for Milwaukee, WI. Example is for illustrative purposes and meant only for mortgage and real estate professionals. Assumes a 6.75% interest rate on a 30-year fixed loan of $320,000, owner-occupied, primary residence; 2 borrowers with 760 credit scores, 35% DTI ratio and 25% housing ratio.

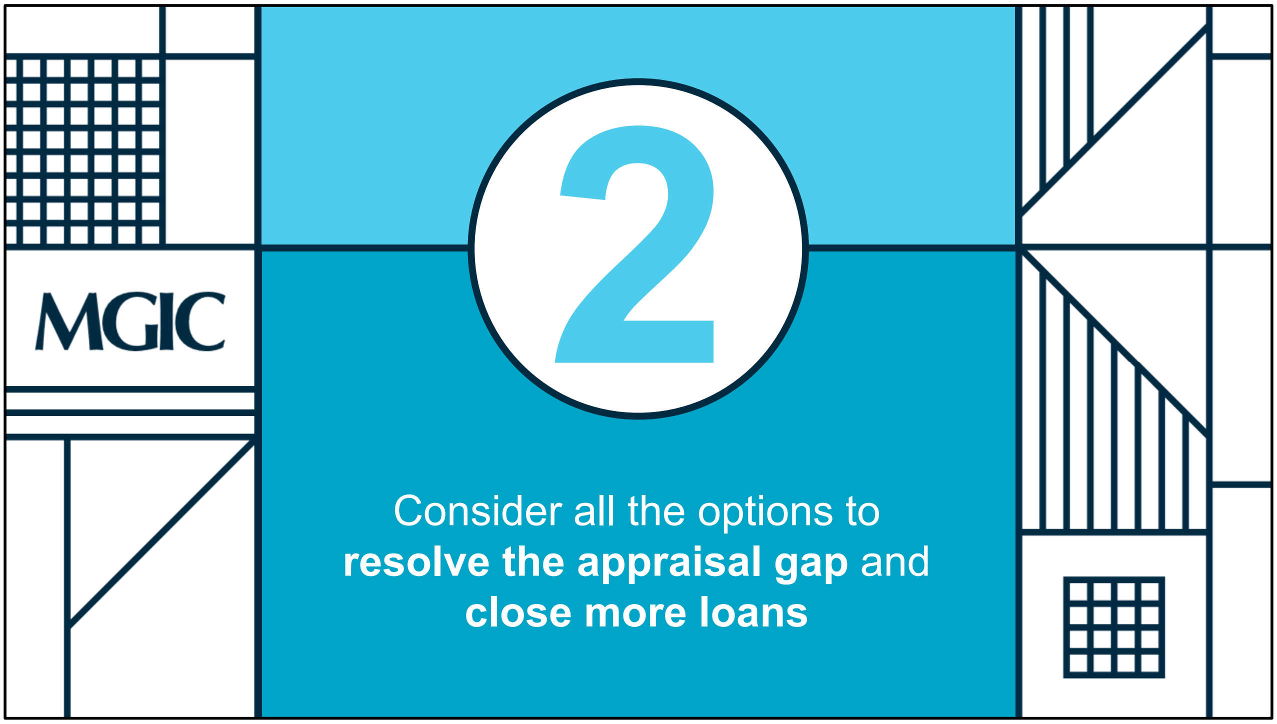
Mortgage Guaranty Insurance Corporation

I know this is a lot of numbers, but bear with me. *(Call out down payment row and monthly payment row.)*

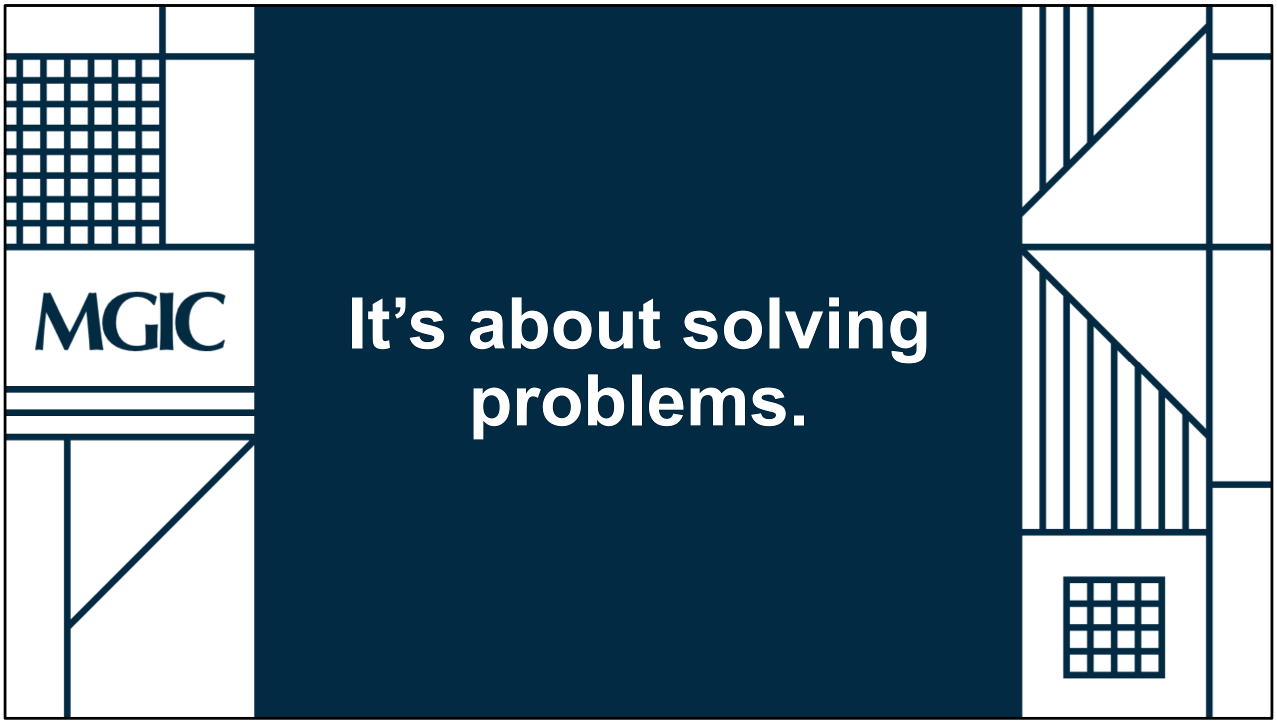
The listing price was $380,000, but they offered $400,000 to beat the competition and had the winning bid. They planned to put down 20% to avoid private mortgage insurance, which would mean a monthly mortgage payment of $2,076. Unfortunately, the appraisal comes in at the original asking price of $380,000. And the next steps are likely familiar to you –

- They could try to negotiate with the seller. That may or may not be feasible depending on the market
- They could try to come up with the extra funds to cover the difference. In this case, they'd need $16,000 more than the original $80,000 they planned to put down.

If you were their agent, you could suggest another solution: Private mortgage insurance
By accepting a higher loan-to-value (LTV) and using MI, Jasmine and John wouldn't need to come up with additional funds up front, would likely have comparable closing costs (depending on the MI program), and their monthly mortgage payment would only be $26 higher than their original expectations. Plus – keep in mind that MI is cancellable so when they reach a certain level of equity in the home, they may be able to cancel MI, which would lower that monthly mortgage payment.



When you offer solutions to your buyers, you create options that may help them secure the home of their dreams, while allowing you more options to close the sale.



The appraisal gap solution was one example of the way you can be a problem-solver for your clients. A more common problem you may be able to help buyers solve? Affording a fixer-upper.

As a real estate professional, you know a lot of inventory out there isn't exactly in turnkey condition. But buyers don't have to be DIY enthusiasts to make those houses into homes – if they understand their options.

The National Association of Realtors Home Buyers ands Sellers Generational Trends report for 2024 tells us that of the homes purchased recently 24% - or almost 1 in 4 – were built in 1962 or before. Meaning at best they bought a 62-year-old home. You think they may want to make some renovations. I would.

NAR also tells us over a quarter of of those who bought a previously owned home last year felt they had to compromise on the condition of the home. Imagine knowing when walking through older home that you'll be able to show them options on how they can make some changes immediately and not need to put them off for 4-5 years.

Meet Maria,
buying her dream home

Let’s look at an example – take Maria. She finds her dream home, but it really needs some work.

She’s worried about how much money she’ll have to fix it up after a 20% down payment

She’s not sure if she should buy a smaller turnkey home instead.

Options for Maria

Maria can afford to buy and renovate the fixer-upper of her dreams by using private MI

Maria's dream home	
Home price	$375,000
20% down payment	$75,000
5% down payment	$18,750
The difference	**$56,250**

Example is for illustrative purposes and meant only for mortgage and real estate professionals. Renovation costs are based on national averages.

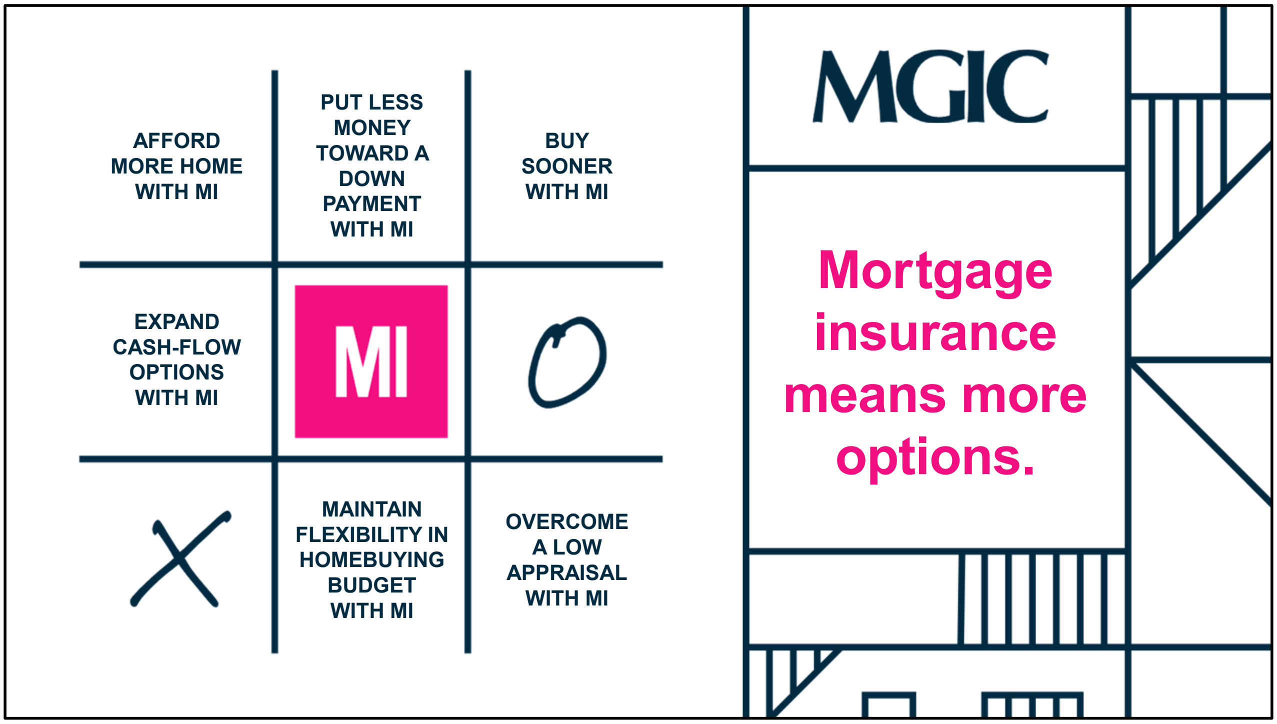
Mortgage Guaranty Insurance Corporation

An experienced real estate professional armed with MI solutions could help Maria see that she could consider putting less down and using the difference to make renovations – right away. Again, this is assuming Maria can afford the higher monthly payments that come with a larger loan amount. In this example, Maria has enough to put 20% down, but not much beyond that to make renovations. If she makes a 5% down payment instead of a 20% down payment, she would be able to use $56,250 to pay for new flooring, a bathroom reno, etc.

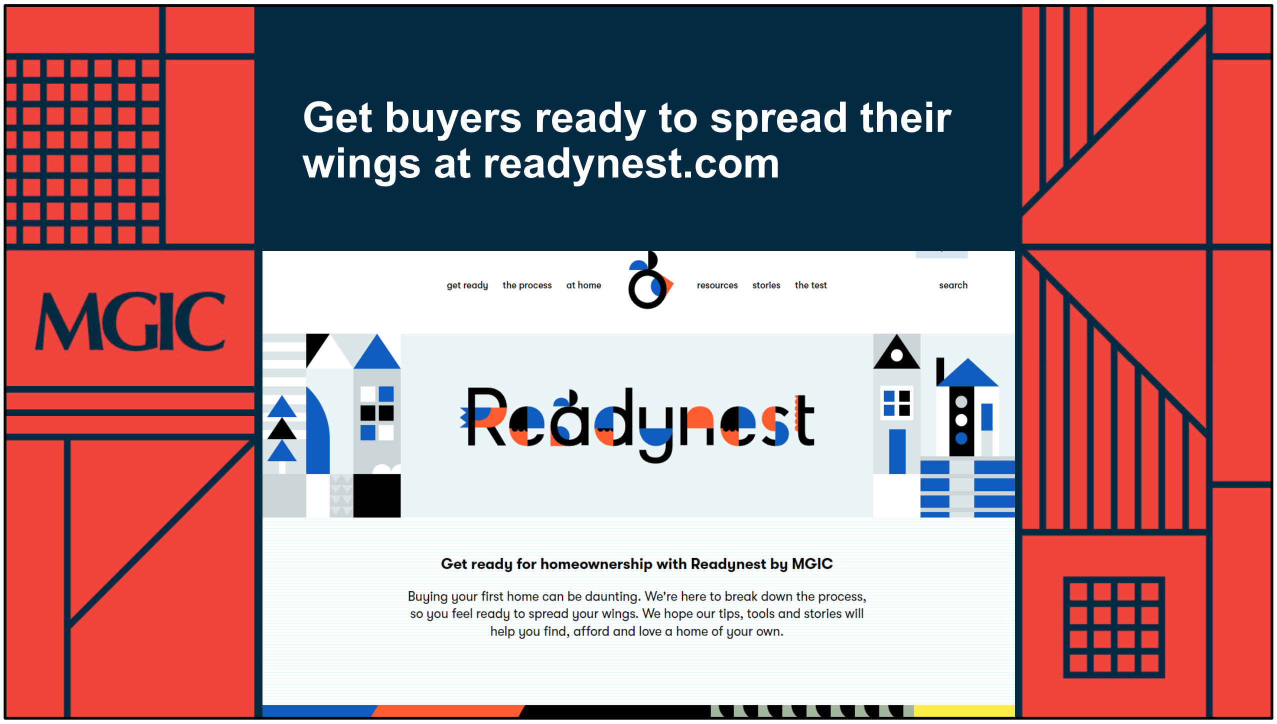
That fixer-upper MI strategy is another option that can help your buyers find and consider more homes when their options seem limited.

A sales book I was reading had a great analogy that basically said you know anyone can sell a ladder to a person in a hole. They have a problem. They know exactly what the problem is. They told you the problem. You gave the solution. How you set yourself apart is helping them avoid the hole in the first place.

In our world they want to buy a home. They need to find the right home. You helped expand their home search options. To use this time of purchasing a home to explore other challenges they may not currently be thinking about, or perhaps know of but didn't think about how you can help solve it for them while helping them by expanding their home buying options.



We shared with you today how changing the conversation with your homebuyers can help you solve problems and offer fresh solutions – such as using a lower down payment to broaden buying options or helping save a deal with an appraisal issue – all while expanding opportunities for you and your homebuyers.



And if you have curious homebuyers with a lot of questions a great resource to offer is Readynest. It offers consumer-friendly articles on the homebuying process and calculators to help them realize their homebuying potential.

Thank you, please contact me if you have additional questions or if you want to further explore these opportunities.