

The Power of MI



FOR HOMEBUYERS

For many homeowners, the biggest hurdle in the homebuying process is the downpayment. The need to accumulate a large amount of cash — usually 20% of the property value — can be difficult and discouraging, especially in high-priced real estate markets. With private mortgage insurance (MI), borrowers can purchase a home to suit their current and future needs with a downpayment of less than 20%.

When evaluating loan options, make sure to consider what makes sense for you now and in the future.

The MI Advantage.

There are loan options available without MI, but it's important to learn the risks. The phrase "Buyer Beware" rings true, particularly during periods of aggressive lending. Trendy loan products (e.g., piggyback and interest-only loans) may seem attractive, but they are often unpredictable. Their rates may reset as often as monthly and typically don't have annual caps. Fixed rate mortgages (FRMs) and traditional adjustable-rate mortgages (ARMs) with caps are more predictable and protect borrowers against interest rate and payment shock risk. And, with MI, borrowers can take advantage of these more secure loan products with *as little as 3% down* or even less in some cases.

See for yourself why MI is a wise choice – use PMI's **eCompareSM** Calculator!

PMI's automated, online calculator helps you compare the cost of a loan with several different MI options against the cost of a piggyback loan. **eCompare** is fast, free and easy to use – providing side-by-side, detailed results in seconds! Evaluate the best loan options by checking out **eCompare** today at www.pmi-us.com/eCompare.

Single Loan with Mortgage Insurance	Combo "Piggyback" Loan
<ul style="list-style-type: none"> MI premium payments are fixed – unaffected by rising interest rates 	<ul style="list-style-type: none"> Often has variable interest rate which: <ul style="list-style-type: none"> - can reset as often as monthly and typically doesn't have annual cap - can include large balloon payment
<ul style="list-style-type: none"> MI is cancellable if borrower-paid* 	<ul style="list-style-type: none"> Non-cancellable
<ul style="list-style-type: none"> MI payment period is often shorter than term of second lien 	<ul style="list-style-type: none"> Long-term (for the life of the loan)
<ul style="list-style-type: none"> Helps preserve access to future home equity 	<ul style="list-style-type: none"> May restrict access to future home equity
<ul style="list-style-type: none"> Only one loan – typically results in faster, less expensive homebuying process 	<ul style="list-style-type: none"> Two loans that often can delay homebuying process
<ul style="list-style-type: none"> Both loan interest and borrower-paid MI premium are tax-deductible!** 	<ul style="list-style-type: none"> Loan interest is tax-deductible

**Mortgage Insurance
Makes Sense.**



Making Risk RewardingSM

800.966.4PMI (4764)
www.pmi-us.com

* Subject to federal Homeowners Protection Act and applicable state law.

** Restrictions apply under the Internal Revenue Code. PMI cannot provide tax advice. Taxpayers should consult their own tax advisors concerning applicability of this new deduction to their particular circumstances under the Internal Revenue Code and the law of any other taxing jurisdiction. This information is not intended or written to be used, and it cannot be used, for the purpose of avoiding U.S. federal, state or local tax penalties.