

The Power of MI



FOR HOMEBUYERS AND LENDERS

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 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 now and in the future – for both you *and* your borrowers.

THE MI ADVANTAGE FOR BORROWERS

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"> - may reset as often as monthly and typically doesn't have annual cap - may 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 <i>(for the life of the loan)</i>
<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 and more satisfied borrower 	<ul style="list-style-type: none"> Two loans that often can delay homebuying process and frustrate the borrower
<ul style="list-style-type: none"> Both loan interest and borrower-paid MI premium are tax-deductible!¹ 	<ul style="list-style-type: none"> Loan interest is tax-deductible

See for yourself why MI is a wise choice – use PMI's **eCompare**SM 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! Choose the best loan option for your borrowers and your organization by checking out **eCompare** at www.pmi-us.com/eCompare.

MI Makes Sense for Homebuyers and Lenders.

THE MI ADVANTAGE FOR LENDERS

Single Loan with Mortgage Insurance	Combo "Piggyback" Loan
<ul style="list-style-type: none"> Coverage for principal and interest, and certain other expenses, in the event of borrower default 	<ul style="list-style-type: none"> Complete loss in the event of borrower default
<ul style="list-style-type: none"> Investors eager to buy secured loans 	<ul style="list-style-type: none"> Investors wary of loans without guarantees in a rising interest rate environment
<ul style="list-style-type: none"> Loss mitigation services available 	<ul style="list-style-type: none"> No loss mitigation services
<ul style="list-style-type: none"> Portfolio protection 	<ul style="list-style-type: none"> No portfolio protection
<ul style="list-style-type: none"> Helps preserve borrower's access to future home equity, allowing for additional loan opportunities 	<ul style="list-style-type: none"> May restrict borrower's access to future home equity, limiting lending opportunities
<ul style="list-style-type: none"> MI unaffected by rising interest rates 	<ul style="list-style-type: none"> Customers dissatisfied with increasing monthly payments as interest rates rise, negatively affecting referrals
<ul style="list-style-type: none"> One loan often has a simpler, faster application/closing process – more satisfied borrower, more opportunity for referrals 	<ul style="list-style-type: none"> Two loans often have lengthier application/closing process – frustrated borrower, less opportunity for referrals



Making Risk RewardingSM

800.966.4PMI (4764)
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* Subject to federal Homeowners Protection Act and applicable state law.

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