

A man with a beard, wearing a light green shirt, is holding a young child in a striped shirt and jeans. They are both laughing and looking at each other in a kitchen setting. The kitchen has a white tiled backsplash, a window with a view of greenery, and various kitchen items like a kettle and a mixer on the counter.

MGIC

Helping Homebuyers Over the Down Payment Hurdle

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Legal disclaimer



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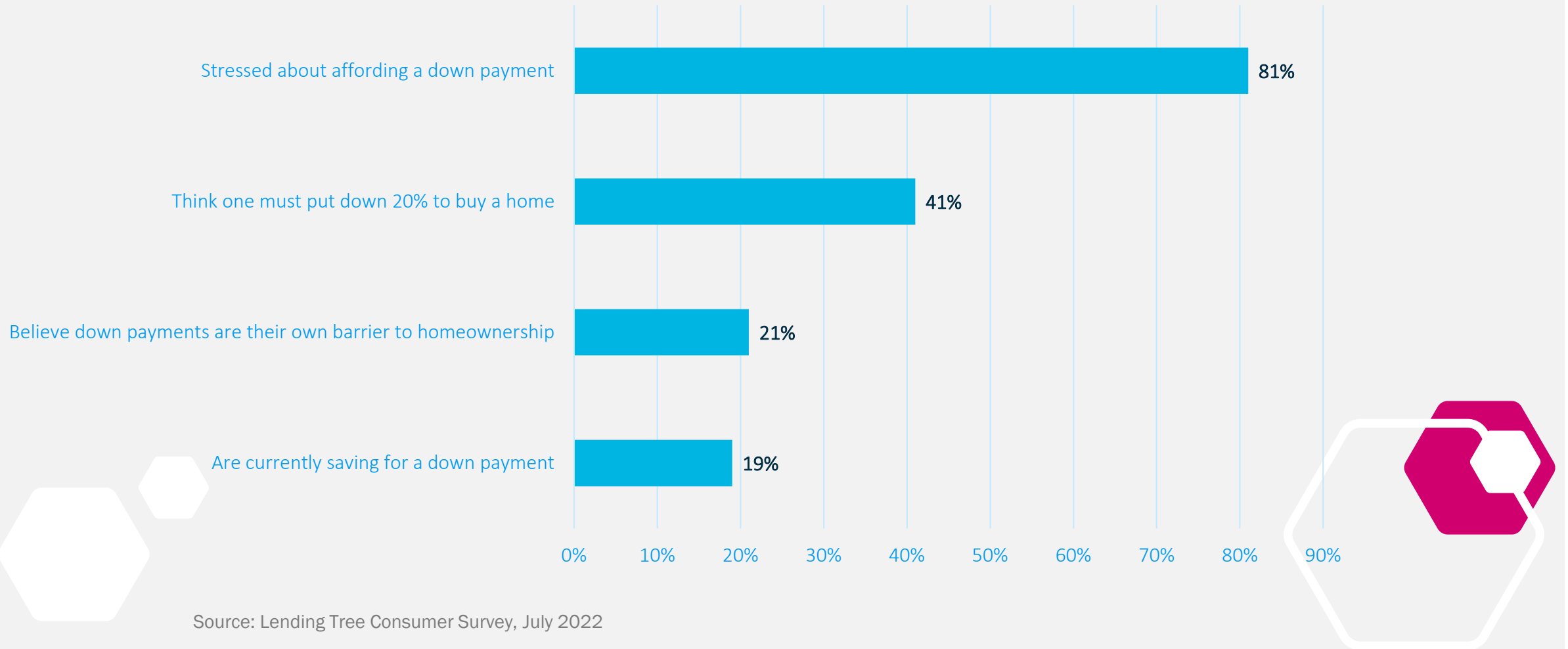
49% of U.S. adults have less savings or no savings compared to year ago¹
68% admit they are saving less due to inflation or rising prices²



Lack of knowledge out there...



How those who have never owned a home feel about down payments



**Only 23% of consumers
are familiar with
low-down-payment
programs**

MI Solutions

More than just a product, mortgage insurance is a strategy that can help you close more loans.

rethinkMI.com

Isaiah



The
first-time
homebuyer

Maria



The
dreamer

Amy & Jordan



The
move-up
buyers

Jasmine & John



The
bidding
warriors



BPMI Monthly Premiums

- No upfront premium
- Paid with monthly mortgage payment
- May be cancelled
- Versatile





BPMI Single Premiums

- Premium paid upfront
- Paid by borrower, seller, builder or 3rd party
- May be financed into loan amount
- Portion may be refundable when cancelled



Choice Monthly Premiums gives you the flexibility to:

- Lower borrowers' monthly payments and debt-to-income ratio (DTI)
- Take advantage of all available lender/seller credits and borrower funds, ensuring money isn't left on the table
- Stay within the Qualified Mortgage (QM) points and fees
- Stand out with your borrowers and referral partners
- Position yourself as a trusted financial advisor by keeping your borrowers' interests top of mind
 - Customize monthly payments for budgeting purposes or to meet consumer preferences, whether borrowers are cost-conscious or looking to afford more home
 - Earn repeat and referral business from borrowers who rely on your expertise

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



Consider and compare Private MI and FHA



	Private MI	FHA
Max. LTV	97%	96.5%
Min. credit score	620	None
Upfront premium	<ul style="list-style-type: none"> • None with Monthly MI • CHOICE MONTHLY (customizable upfront option) • Varies based on credit score and LTV for Singles 	1.75%
Monthly premium	Varies based on credit score and LTV	<ul style="list-style-type: none"> • .50% for LTV > 95% LTV • .55% ≤ 95% LTV
Cancellation	Varies based on appraised or original value	<ul style="list-style-type: none"> • Not cancelable > 90% LTV • 11 years ≤ 90% LTV



MI Cancellation

Private MI may be cancelled



MI cancellation using the Original Value of the property

- Cancellation terms are defined by the Homeowners Protection Act (HPA) for single-family primary residences
- HPA addresses both:
 - Lender-required cancellation terms
 - Borrower requested cancellation terms

MI cancellation based on Current Value

- Not addressed under HPA, but typically, allowed and defined by the investor



Original value



Lender-required

Automatic termination at 78% LTV based solely on the initial amortization schedule, and borrower is current on payments

Borrower-requested

Based either on:

- Initial amortization schedule **OR**
- The date the loan balance actually reaches 80% of the original value

MI coverage can be cancelled only if the borrower:

- Has a good payment history **AND**
- Satisfies any lender's requirements that there is no decline in property value and that no subordinate liens exist



**Why is it so
important now?**





Homeowner's net worth is nearly 40x greater than a renter's

Source: CNBC Aug 24, 2021

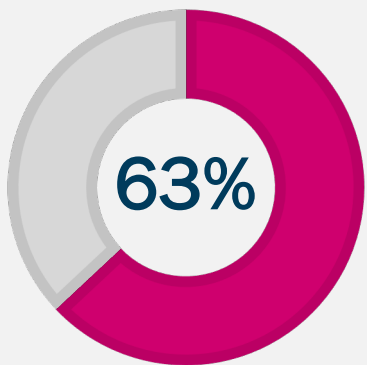


62% of first-time homebuyers' primary reason for buying was the desire to own a home of their own

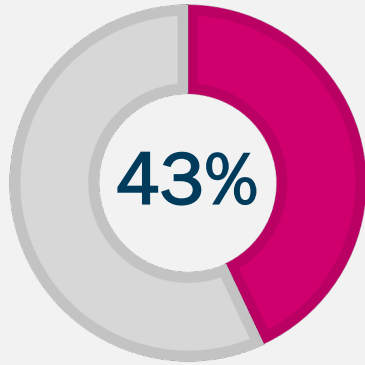
Source: NAR 2022 Profile of Home Buyers & Sellers

Are home buyers settling

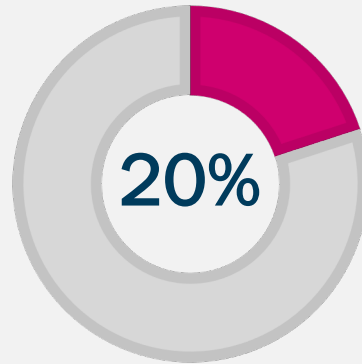
Many who wanted to buy their first-home last year bid on homes they didn't even want



ADMIT TO BIDDING ON A HOME THEY DIDN'T WANT



HAVE BID ON A HOME THEY DIDN'T WANT MORE THAN ONCE



OF MILLENNIALS MADE OFFERS MORE THAN 5X ON HOUSES THEY DIDN'T WANT



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Get ready for homeownership with Readynest by MGIC



Thank You

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