



Sandra



Jeff




Alexis





Legal disclaimer

The information presented in this presentation is for general information only, and is based on guidelines and practices generally accepted within the mortgage finance industry and is not intended to be all-inclusive. MGIC makes no representations or warranties of any kind with respect to the accuracy, completeness or suitability for any purpose of the information contained in this presentation. MGIC expressly disclaims any and all warranties, express or implied, including without limitation warranties of merchantability and fitness for a particular purpose regarding these materials and this presentation. In no event will MGIC be liable for any direct, indirect, incidental, punitive or consequential damages of any kind with respect to the presentation or materials provided. All examples are hypothetical and are for illustrative purposes only. This presentation is not intended and should not be interpreted or relied upon as legal advice. We encourage you to seek advice from a qualified professional.



The MGIC logo is displayed in a bold, dark blue serif font. It is centered within a yellow rectangular background that is part of a larger, colorful geometric pattern on the left side of the slide. The pattern consists of various colored squares and triangles in shades of blue, teal, orange, red, yellow, pink, and green.

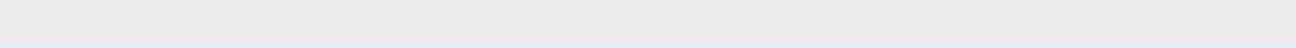
MGIC

Curriculum

- Breaking news
 - Industry updates
 - FAQ session
 - MGIC resources
 - Kahoot! quiz
-

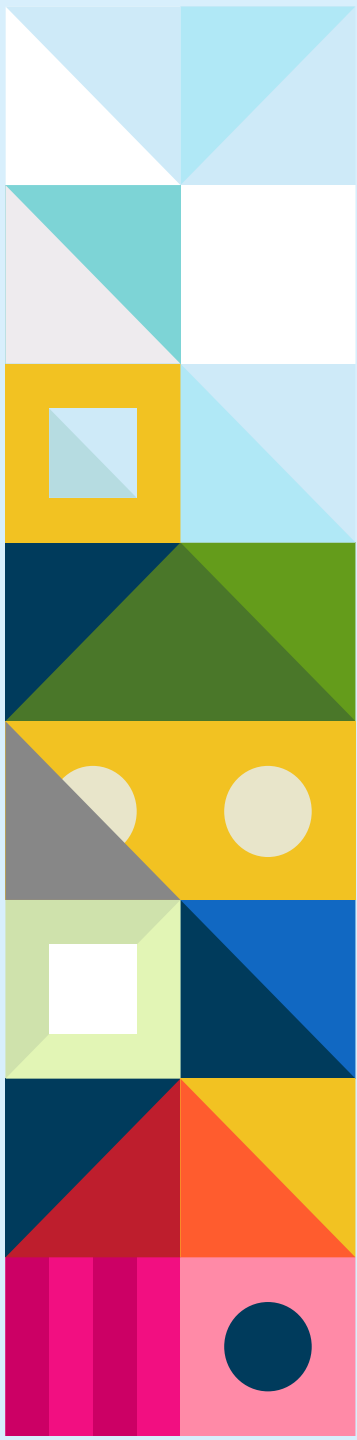
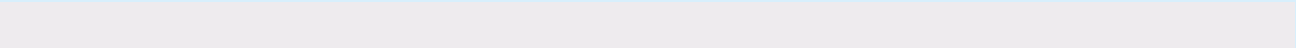


Breaking news



Trigger leads

Homebuyers Privacy Protection Act

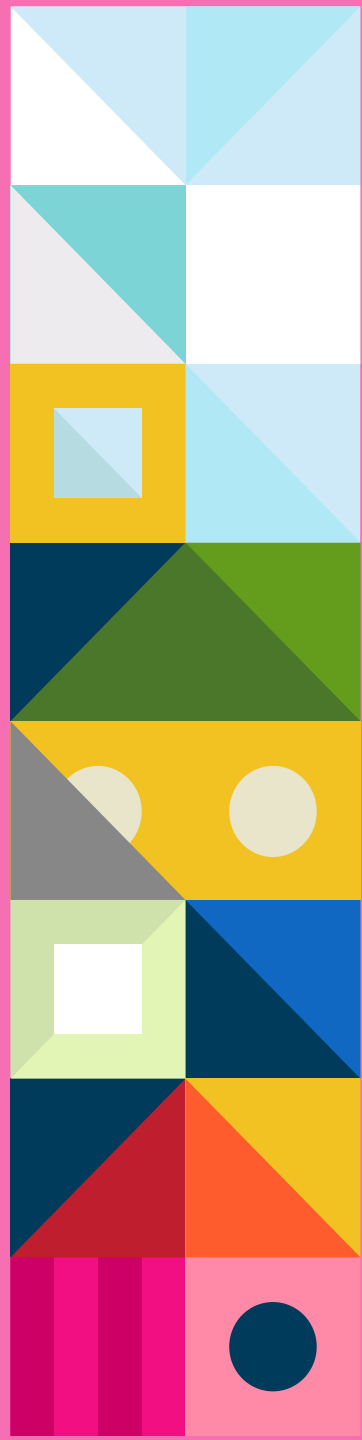




MGIC

New appraisal report

UAD 3.6





UNIFORM MORTGAGE DATA PROGRAM



Fannie Mae®



2024		2025		2026		2027
UAD 3.6 TESTING		Uniform Appraisal Dataset (UAD) 3.6 PRODUCTION				
INDUSTRY PREP		LIMITED PRODUCTION	BROAD PRODUCTION		MANDATE	RETIREMENT
		September 8, 2025 – January 25, 2026	January 26, 2026 – November 1, 2026		November 2, 2026	May 3, 2027
		UAD 2.6 -> UAD 3.6 Transition Period			UAD 2.6 Pipeline Revisions	
Submit 2.6 Only	Submit 2.6 Only	Submit 2.6 and Limited Production Participants* to Submit 3.6	Submit 2.6 or Submit 3.6		Submit 3.6 Only	2.6 Pipeline Cleared
November 18, 2024 – Redesigned Uniform Residential Appraisal Report (URAR) industry training available on GSE websites	June 4, 2025 – GSEs publish policy updates July 28, 2025 – ULDD Mandate: Lenders must deliver ULDD Phase 5 data points prior to using UAD 3.6	September 8, 2025 – Fannie Mae and Freddie Mac can accept both UAD 2.6 and 3.6 *Limited Production Participants - Lenders who have submitted the UAD Questionnaire and received GSE approval will have controlled access to submit 3.6 to Uniform Collateral Data Portal (UCDP)	January 26, 2026 – All Lenders may begin submitting to the GSEs’ production environment without prior GSE approval		November 2, 2026 – Lenders must use UAD 3.6 for all new submissions on or after this date Revisions allowed for previously submitted UAD 2.6 appraisals	May 3, 2027 – UAD 2.6 Pipeline revisions period ends

This document relates to the Uniform Mortgage Data Program®, an effort undertaken jointly by Freddie Mac and Fannie Mae at the direction of the Federal Housing Finance Agency.
©2024 Fannie Mae and Freddie Mac. Trademarks of the respective owners.

12/9/2024



Redesigned URAR

The new appraisal report will:

- Replace all existing appraisal forms
- Provide a new summary page
- Utilize a better reporting structure
- Organize related data together in each section
- Display photos, commentary & any defects/damages/deficiencies in relevant sections

Single dynamic URAR

- All residential property types
 - Single family
 - 2–4-unit
 - Condominium
 - Cooperative
 - Manufactured
- All agency assignment types
 - Traditional appraisal
 - Hybrid appraisal
 - Desktop appraisal
 - Exterior appraisal

MGIC

Uniform Residential Appraisal Report

456 SOMETHING RD, SOMEWHERE, VA 12345

SUMMARY

Opinion of Market Value	\$775,000	Market Value Condition	As Is
Effective Date of Appraisal	09/08/2019	Property Valuation Method	Traditional Appraisal
Assignment Reason	Purchase	Appraiser Name	Agatha Appraiser
Borrower Name	Bob Borrower		
	Betty Borrower		
Current Owner of Public Record	Jane Doe		
Contract Price	\$765,000		
Listing Status	Pending		

Property Description

Construction Method	Site Built	Overall Quality	Q4
Attachment Type	Detached	Overall Condition	C4

	Yes	No
Planned Unit Development (PUD)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Condominium	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cooperative	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Condom	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Subject Site Owned in Common	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Units Excluding ADUs	1	
Accessory Dwelling Units	1	
Property Rights Appraised	Leasehold	

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?

Yes ☒ No ☐

Zoning Compliance Legal

Apparent Defects, Damages, Deficiencies Requiring Action

None



This is where the Dwelling Front photo would display.

Resources for the new appraisal report

Fannie Mae

[Uniform Appraisal Dataset | Fannie Mae](#)
[Fannie Mae Selling Guide Section B4-1.1](#)

Freddie Mac

[Uniform Appraisal Dataset - Freddie Mac](#)
[Freddie Mac Selling Guide 5601.1](#)

[GSE Training: The Industry's Guide to the New URAR](#)

[UAD-sample-scenarios-combined.pdf](#)

[UAD-Redesign-Timeline.pdf](#)

[Condition and Quality Ratings Definitions 3.6](#)

[Appendix C-1-URAR Layout](#)

[Appendix F-1: URAR Reference Guide](#)

[UAD 3.6 FAQs](#)

[ANSI-Standardizing Property Measuring Guidelines](#)





Industry updates

Are you up to date with your homework?

Loan Product Advisor Documentation Matrix

In Case You Missed It 2025

A summary of *Selling Guide*, *Servicing Guide*, and other policy communications

What you need to know

This document summarizes recent *Selling Guide*, *Servicing Guide*, and related policy updates, clarifications, or other supporting communications. It provides links to related resources as applicable. **Looking for last year's policy updates? Review the [final 2024 ICYMI](#).**


We made many of these changes and communications in direct response to lender feedback requesting that we simplify or clarify policies or processes.

How to read this document



Most recent up top


The most recent items are listed first in the table below.



Quick reference


These Lender Letters, published before 2025, are still in effect:

- [LL-2024-01](#): HomeReady Product Enhancement
- [LL-2023-07](#): COVID-19 Payment Deferral and Fannie Mae Flex Modification for COVID-19 Impacted Borrowers
- [LL-2023-03](#): Impact of COVID-19 on Servicing
- [LL-2021-10](#): Expanding Refinance Eligibility with RefiNow™



Acronyms and abbreviations


CU: Collateral Underwriter™ (CU)
DU/DO: Desktop Underwriter™ (DU) and/or Desktop Originator™ (DO)
LL: Lender Letter (reinforces existing policy or describes temporary policies)
SEL: *Selling Guide* Announcement
SVC: *Servicing Guide* Announcement




Look for what's most relevant to you

- Appraisals
- Loan Delivery
- Risk Management/Quality Control
- Servicing: Servicing-specific publications are also highlighted with a gray background.
- Technology
- Underwriting
- Other

Fannie Mae's *Selling* and *Servicing Guides* and their updates, including *Guide* announcements and release notes, are the official statements of Fannie Mae's policies and procedures and control in the event of discrepancies between the information provided in this summary and the *Guides*.

 **Fannie Mae**
© 2025 Fannie Mae.

Loan Product Advisor® Documentation Matrix

 **Freddie Mac**
SINGLE-FAMILY

Learning

Use the following information as a reference for documenting your Loan Product Advisor® (LPA®) loans. For complete documentation information and specific program eligibility requirements, refer to the [Freddie Mac Single-Family Seller/Servicer Guide \(Guide\)](#). We recommend bookmarking the Guide link (<https://guide.freddiemac.com/app/guide/>) for easy access.

What Has Changed in this Reference?

This reference is updated to coincide with new and significant changes to documentation requirements announced in *Guide* Bulletins. Recent changes **based on Effective Date**, include:

Effective Date	Topic	Change	Guide Bulletin Announcement
Effective June 6, 2024	The removal of the W-2 documentation requirement for military base pay and entitlements		June 6, 2025 Bulletin 2025-7
For mortgages with Note Dates on or after September 3, 2025 but Sellers can implement immediately	Updated requirements for interested party contributions and lender incentives.		May 7, 2025 Bulletin 2025-6
Effective May 7, 2025	Income requirements and documentation	<ul style="list-style-type: none">Updated fluctuating income requirements and calculation methodsUpdates to pension income documentationThe removal of the requirement for documentation of tax-exempt status for child support and Housing Choice Voucher homeownership program payments	May 7, 2025 Bulletin 2025-6
May 11, 2025	Introducing a new income assessment tool, the Freddie Mac Income Calculator . Eligible income includes employed earnings using paystub(s) and W-2 data and self-employed income using tax returns or tax transcript data. The calculator may provide eligibility for income representation and warranty relief.		April 2, 2025 Bulletin 2025-4
April 2, 2025	We are delaying until further notice the effective date of the requirement to use the full risk premium to calculate the housing expense-to-income and debt payment-to-income ratios for mortgages where a flood insurance policy on the mortgaged premises shows a full risk premium and a discounted premium.		April 2, 2025 Bulletin 2025-4

View a list of published future effective *Guide* changes on the [Upcoming Changes](#) tab in the *Guide*.

Note: Vertical revision bars * | * are also used in the margin of this reference to highlight these new requirements and significant changes.

In Case You Missed It: Policy Updates

Reconsideration of value (ROV)

Lender responsibilities

- Establish a ROV process for borrowers to appeal an appraisal when it is believed the opinion of value is unsupported, deficient or reflects discriminatory practices
- Provide a ROV disclosure ~~at the time of loan application and again~~ **with the appraisal report**
- Complete its appraisal review before initiating the ROV process
- Designate an underwriter or subject matter expert to review the ROV request to validate the request contains sufficient information
- Utilize a standardized format to communicate with the appraiser
- Forward the appraisal report, along with findings, to the appropriate appraisal licensing agency or regulatory board if material deficiencies are not corrected by the appraiser
- Ensure all documentation related to **the outcome** of the ROV are retained in the loan file

Interested party definition

An interested party is any person or entity that:

- May benefit from the property selling at the highest possible price
AND
- Can influence the sales price or other terms of the transaction

- The property seller
- The builder or developer
- The real estate agent or broker
- **Any contributing party (e.g., originating lender, employer, municipality, nonprofit organization or related person) affiliated with any of the above individuals or entities**

Fannie Mae SEL-2025-03; Freddie Mac Sections 5501.6 and 5501.7

Freddie Mac – Income clarifications

INCOME REQUIREMENTS AND DOCUMENTATION

Employed income

Base non-fluctuating employment earnings type updates


We have made the following updates related to non-exempt (hourly) earnings:

- **Minor fluctuations in hours:** We have updated language to add specificity to the intent of the existing requirements. Minor variations in base hours on paystubs (e.g., Borrower clocked out a few minutes early) are acceptable and may be treated as base non-fluctuating earnings when the variation is no more than an hour per week. Minor variations do not automatically render the base earnings as fluctuating if the historical earnings support the level of pay.
- **Minimum required hours exception for primary employment:** We have added requirements for Borrowers with base earnings that fluctuate but have a position with a minimum number of required hours. The earnings may be considered non-fluctuating, and the minimum required hours are acceptable to use for gross pay if the following requirements are met:
 - The Seller must obtain written documentation from the employer confirming the minimum required hours (i.e., written verification of employment, offer letter or equivalent documentation)
 - The documented minimum required hours must be supported by year-to-date (YTD) income and prior year, as applicable

Only the minimum required hours may be considered non-fluctuating. The requirements for fluctuating employment earnings apply to any additional hours used to qualify the Borrower.

Guide impact: [Section 5303.1](#)

Freddie Mac – Military income documentation



Topic	Documentation Requirements (Streamlined and Standard Documentation Levels)
Military Income	
Military Base (basic) Pay (Guide Section 5303.1(ii)(A))	Employment earnings – Military base (basic) pay: History of receipt: For borrowers who are active-duty members of the United States Armed Forces, a history of military employment is not required for the employment to be considered stable. Continuance: Must be likely to continue for at least the next three years. Documentation: All the following: <ul style="list-style-type: none">YTD Military Leave and Earnings Statement OR , all the following: <ul style="list-style-type: none">Written VOE documenting all YTD earnings and a 10-day PCV. Note: A military Leave and Earnings Statement dated no more than 120 days prior to the Note Date is acceptable documentation for the 10-day PCV.
Military Entitlements (e.g., as flight or hazard duty, rations, clothing, or quarters allowances) (Guide Section 5303.1(ii)(B))	History of receipt: A history of receipt is not required for the income to be considered stable. Continuance: Must be likely to continue for at least the next three years. Calculation: Current fixed monthly amount. Documentation: Obtain all the following: <ul style="list-style-type: none">YTD Leave and Earnings Statement, W-2 form for the most recent calendar year. OR , all the following: <ul style="list-style-type: none">Written VOE documenting the current monthly fixed entitlement amount(s) and type(s) and the earnings for the most recent calendar year, and a 10-day PCV.
Military Reserve and National Guard income (Guide Section 5303.1(ii)(C))	History of receipt: One year. Continuance: Must be likely to continue for at least the next three years. Calculation: 12-month average. Documentation: Obtain all the following: <ul style="list-style-type: none">YTD Military Leave and Earnings Statement, W-2 form for the most recent calendar year. OR , all the following: <ul style="list-style-type: none">Written VOE documenting all YTD earnings and the earnings for the most recent calendar year, and a 10-day PCV.

Freddie Mac Bulletin 2024-7

Fannie Mae – Maximum cash out on R/T refi



Desktop Underwriter/Desktop Originator Release Notes DU Version 12.0 September Update

July 30, 2025
Updated Sept. 24, 2025

Limited Cash-Out Refinance Transactions

The amount of cash back the borrower may receive in a limited cash-out refinance transaction will be increased from the *lesser of* 2% of the unpaid balance of the new mortgage or \$2,000 to the *greater of* 1% of the unpaid balance of the new mortgage or \$2,000. DU will be updated to reflect these new cash back limits and will require assets to be documented for liabilities being paid off with the transaction that exceeds these new limits (vs. the current requirement for asset documentation for the entire amount of non-subject liabilities being paid off with the transaction).

When providing information on the liabilities that will be paid off with the transaction, include any liabilities associated with the subject property in section *L4. Qualifying the Borrower* of the loan application on Line D., and any liabilities not associated with the subject property on Line E.

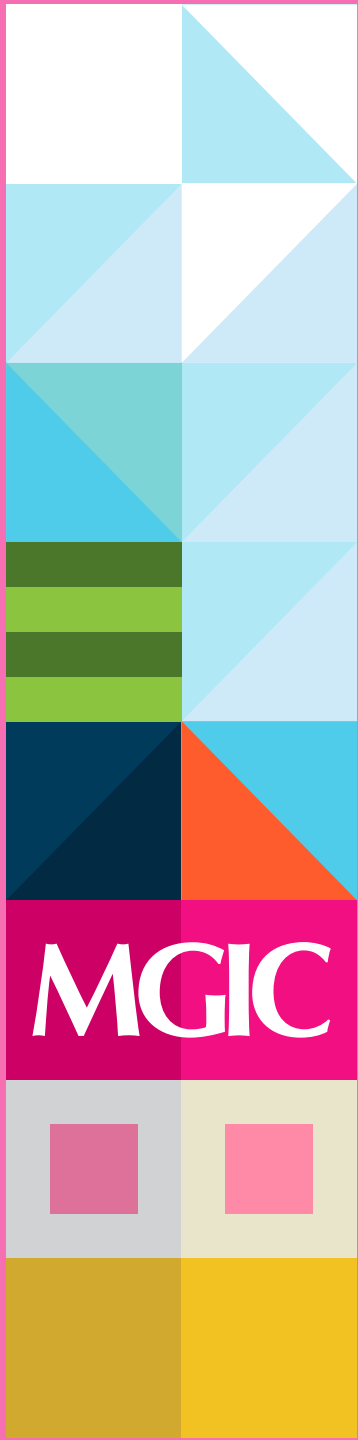
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)	\$ <input type="text"/>
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)	\$ <input type="text"/>

Note: The Selling Guide will be updated Oct. 1, 2025, to include this policy change; however, lenders may take advantage of the new limits with the DU V. 12.0 Sept. Update.



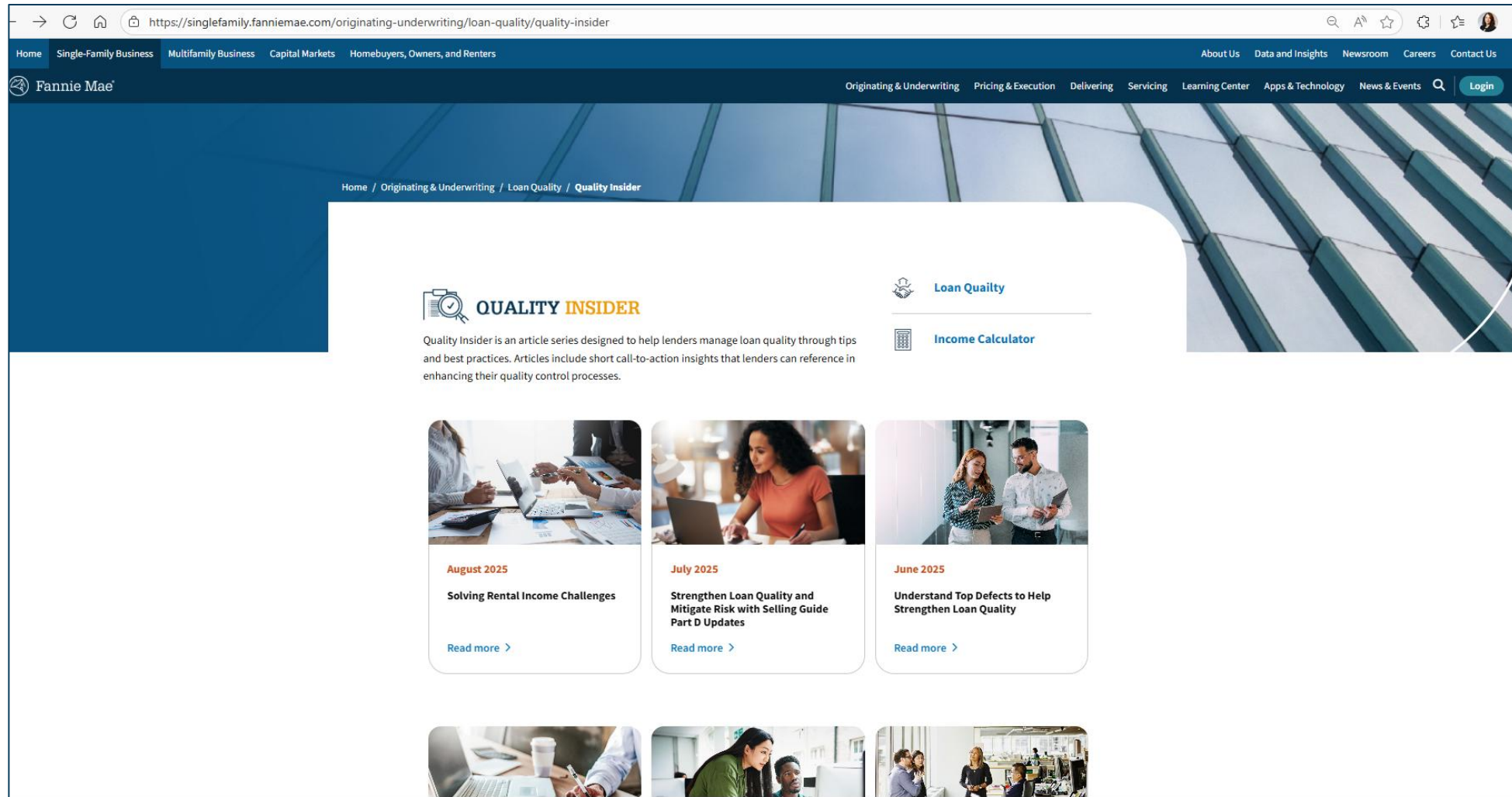


We have AUS approval for the loan, but the borrower has limited credit. What else is needed, if anything?



What is the best practice
when it comes to pulling a
refresh credit report?

Quality Insider recommendations



The screenshot shows the Fannie Mae website's 'Quality Insider' section. The page has a dark blue header with the Fannie Mae logo and navigation links. Below the header, a breadcrumb trail reads 'Home / Originating & Underwriting / Loan Quality / Quality Insider'. The main content area features a 'QUALITY INSIDER' heading with a magnifying glass icon, followed by a paragraph explaining the series. To the right are links for 'Loan Quality' and 'Income Calculator'. Below this is a grid of three article cards, each with a photo, a date, a title, and a 'Read more' link. The cards are for August 2025, July 2025, and June 2025. At the bottom, there is a row of four smaller images showing people working in an office.


Home / Originating & Underwriting / Loan Quality / Quality Insider

QUALITY INSIDER

Quality Insider is an article series designed to help lenders manage loan quality through tips and best practices. Articles include short call-to-action insights that lenders can reference in enhancing their quality control processes.

[Loan Quality](#)


[Income Calculator](#)



August 2025

Solving Rental Income Challenges


[Read more >](#)



July 2025

Strengthen Loan Quality and Mitigate Risk with Selling Guide Part D Updates




[Read more >](#)



June 2025

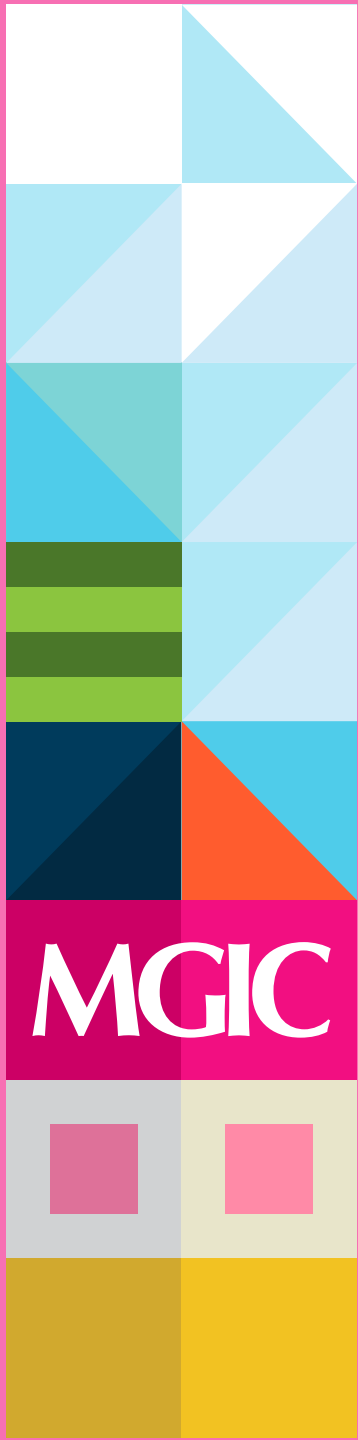
Understand Top Defects to Help Strengthen Loan Quality

[Read more >](#)





How can I properly strategize
with my borrower on what loan
program to use?



FTHBs are getting priced out of the market. What are some steps to use to assist with home affordability?

The ABCs of affordability

A – ARMs

B – Buydowns

C – Contributions

A blue rectangular graphic representing a webinar poster. It features the MGIC logo at the top, followed by the title 'Getting Comfortable with ARMs', the date 'Tuesday, Oct. 28, 2025', and the time '11 a.m. PT / 12 p.m. MT / 1 p.m. CT / 2 p.m. ET'. A light blue box highlights '45 minutes'. Below this is a paragraph of text and a bulleted list of topics. At the bottom is a decorative row of colored squares and arrows.

MGIC

Getting Comfortable with ARMs

Tuesday, Oct. 28, 2025
11 a.m. PT / 12 p.m. MT / 1 p.m. CT / 2 p.m. ET

45 minutes

Whether you're new to adjustable-rate mortgages (ARMs) or just want a refresher, this training will walk you through everything you need to know to help educate your borrowers and answer their questions with confidence.

In this 45-minute session, we'll cover:

- ARM basics
- ARM qualification standards
- Product comparisons
- Agency guidelines and pricing
- Borrower considerations
- Q&A (if time permits)

[MGIC Webinar: Getting Comfortable with ARMs](#)

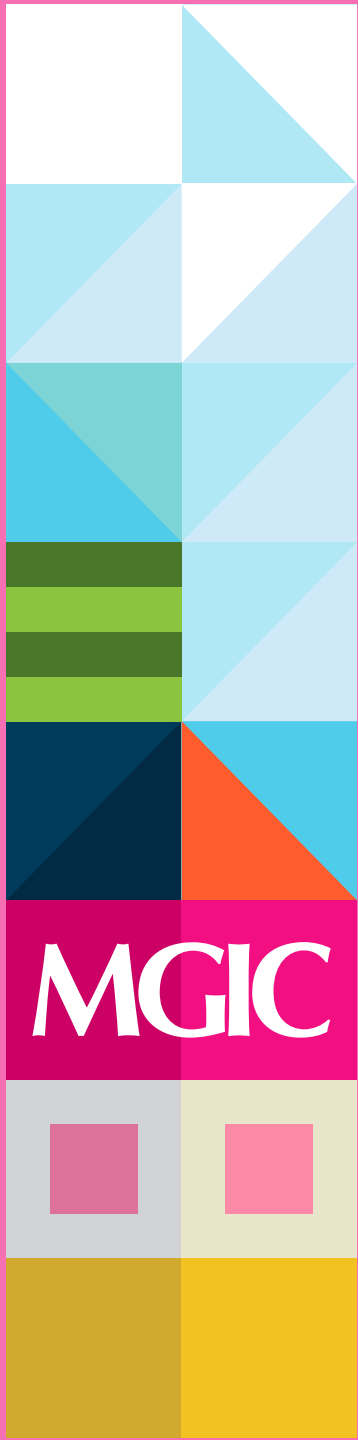


What is the correct income approach for a seasonal worker who uses unemployment each year during the off-season?

Please discuss gaps in employment and multiple 1099s in the same line of work.



If a real estate agent receives a 1099 for commission and files a Schedule C, would you consider this self-employed income or would you enter this as commission income for DU?



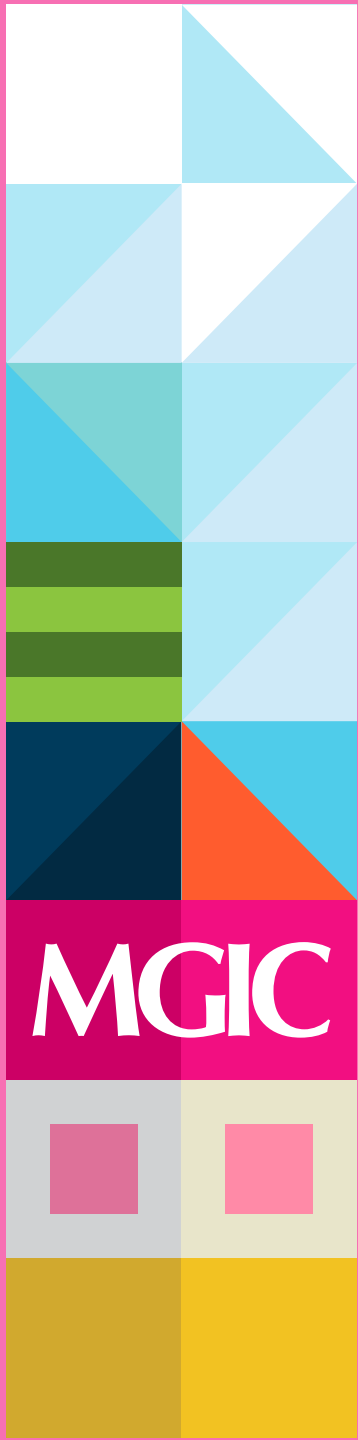
How do I prove income has
stabilized for a borrower receiving
variable income?

Freddie Mac – income trend analysis

- **Degree of fluctuation $\leq 10\%$:** The income trend is considered consistent. No additional analysis or documentation is required when calculating the qualifying income.
- **Degree of fluctuation $> 10\%$ but $\leq 30\%$:** No additional analysis or documentation is required when the increase is supported by the documented income breakdown and/or verification of pay raise.
- **Degree of fluctuation $> 30\%$:** Additional analysis and documentation are required to determine income stability and develop an accurate calculation of qualifying income.
- **Declining trend:** Use the YTD income and do not include the previous higher level unless there is documentation of a one-time occurrence (e.g., injury) that prevented the borrower from working or earning full income for a period of time as well as evidence that the borrower is back to the income amount that was previously earned.
- **Declining trend $> 10\%$:** Further analysis and additional documentation may be necessary to determine whether the income is currently stable. This analysis must include the reason for the declining trend and support that the current income has stabilized.



If you only have one person on the loan and the couple has a property held in an LLC (files a 1120-S) at 50% each, can you use 100% of the income?



What is the best way to confirm that a self-employed borrower can use business funds for closing?

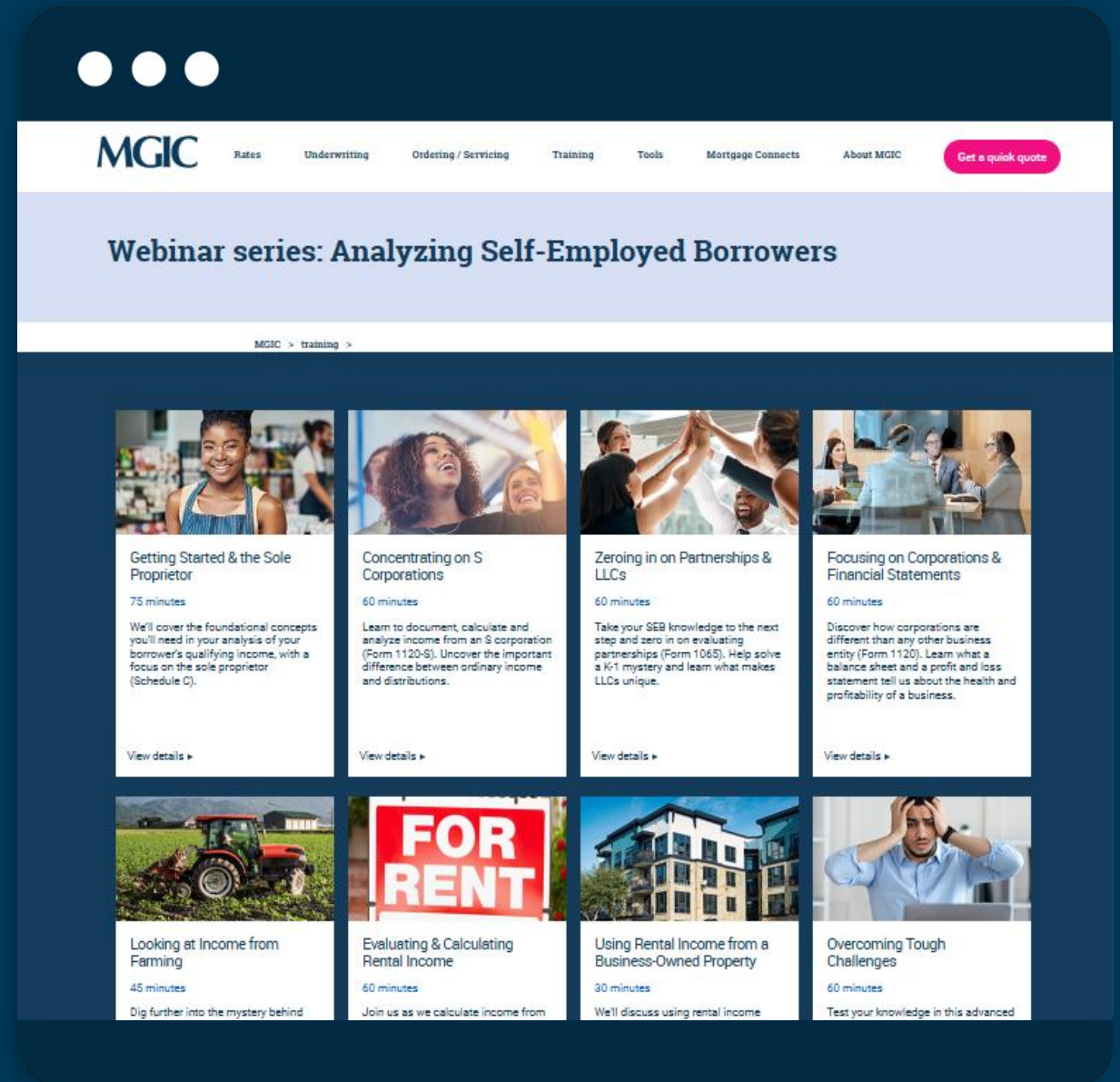


What kind of training is offered by MGIC to learn about handling transactions with the self-employed borrower?









Training – SEB webinars

mgic.com/seb-webinars

mortgage guaranty
insurance corporation

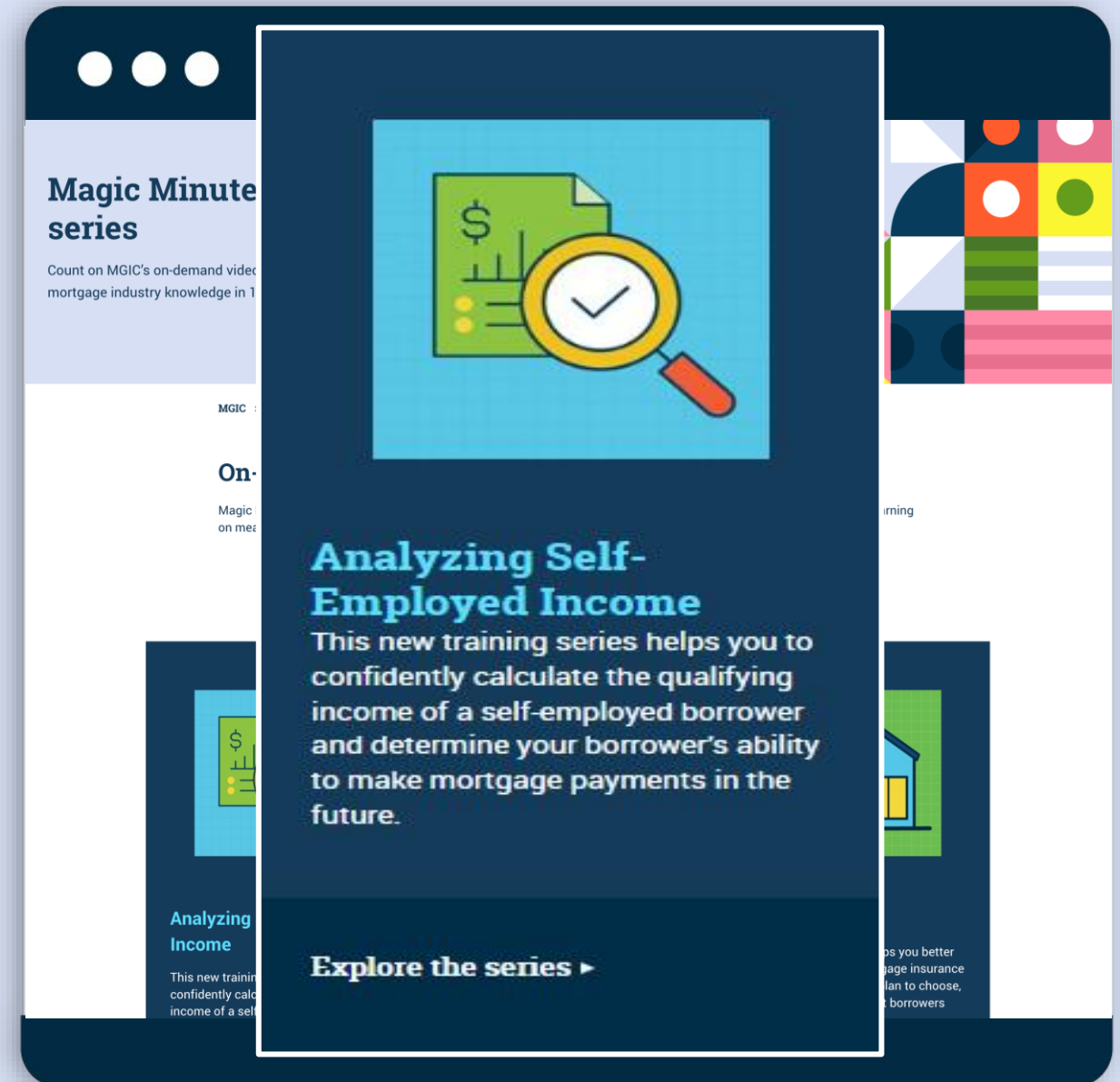


The screenshot displays the MGIC website's training section. At the top, the MGIC logo is followed by navigation links: Rates, Underwriting, Ordering / Servicing, Training, Tools, Mortgage Connects, and About MGIC. A pink button labeled 'Get a quick quote' is positioned on the right. Below the navigation bar, a light blue banner features the title 'Webinar series: Analyzing Self-Employed Borrowers'. Underneath this banner, a breadcrumb trail reads 'MGIC > training >'. The main content area is a dark blue grid containing eight webinar cards, each with a thumbnail image, title, duration, description, and a 'View details' link.

Thumbnail Image	Webinar Title	Duration	Description	Action
	Getting Started & the Sole Proprietor	75 minutes	We'll cover the foundational concepts you'll need in your analysis of your borrower's qualifying income, with a focus on the sole proprietor (Schedule C).	View details ►
	Concentrating on S Corporations	60 minutes	Learn to document, calculate and analyze income from an S corporation (Form 1120-S). Uncover the important difference between ordinary income and distributions.	View details ►
	Zeroing in on Partnerships & LLCs	60 minutes	Take your SEB knowledge to the next step and zero in on evaluating partnerships (Form 1065). Help solve a K-1 mystery and learn what makes LLCs unique.	View details ►
	Focusing on Corporations & Financial Statements	60 minutes	Discover how corporations are different than any other business entity (Form 1120). Learn what a balance sheet and a profit and loss statement tell us about the health and profitability of a business.	View details ►
	Looking at Income from Farming	45 minutes	Dig further into the mystery behind	
	Evaluating & Calculating Rental Income	60 minutes	Join us as we calculate income from	
	Using Rental Income from a Business-Owned Property	30 minutes	We'll discuss using rental income	
	Overcoming Tough Challenges	60 minutes	Test your knowledge in this advanced	

Dig deeper

mgic.com/magic-minutes



MGIC worksheets

mgic.com/seb

SEB and income analysis
calculators and resources

MGIC > underwriting > seb >

Updated calculators

Our editable and auto-calculating worksheets are designed for speed and accuracy. We recommend you use the macro-enabled versions but also offer macro-free alternatives if you cannot use Excel worksheets with macros. To learn more, download our Calculator FAQs or watch the overview videos below.

PLEASE NOTE: Download and save a copy to your desktop as a template.

All-in-one calculatorNew

All-in-one self-employed income calculator
Full workbook

All-in-one self-employed income calculator updated for tax year 2024

Available in macro-enabled and macro-free versions

This calculator incorporates 4 worksheets, including SAM cash flow analysis, liquidity, comparative income analysis and P&L statement analysis. (2/10/2025)

Download macro-enabled ►
Download macro-free ►

All-in-one calculatorNew

All-in-one self-employed income calculator
Condensed version

All-in-one self-employed income calculator updated for tax year 2024

Macro-free short form

This is a condensed version of our macro-free self-employed calculator, with just one of each type of business entity. (2/10/2025)

Download macro-free ►

Income calculatorNew

Employment and other income calculator

Employment & other income calculator

Available in macro-enabled and macro-free versions

This worksheet is designed to calculate salaried borrowers' monthly qualifying income (fixed and variable) and gross up non-taxable income. (1/2/2025)

Download macro-enabled ►
Download macro-free ►

Rental calculatorNew

Rental income calculator

Rental income calculator updated for tax year 2024

Available in macro-enabled and macro-free versions

Cash flow income from a principal residence (2- to 4-unit), investment property or business rental by reviewing tax returns or leases. (1/2/2025)

Download macro-enabled ►
Download macro-free ►

Video

MGIC

All-in-one self-employed income calculator

Video

MGIC

Employment and other income calculator

FAQs

Calculator FAQs

Infographic

CHARACTERISTICS OF 8 COMMON SELF-EMPLOYED BUSINESSES

MGIC



What makes a property
ineligible for financing?

General property eligibility

Number of units

- 1-4 units

Property ownership

- Fee simple
- Leasehold estate
- Co-op

Property location

- United States
(including District of Columbia)
- Puerto Rico
- U.S. Virgin Islands
- Guam

Acceptable dwellings

- On an individual lot
- In a condo project
- In a co-op project
- In a PUD

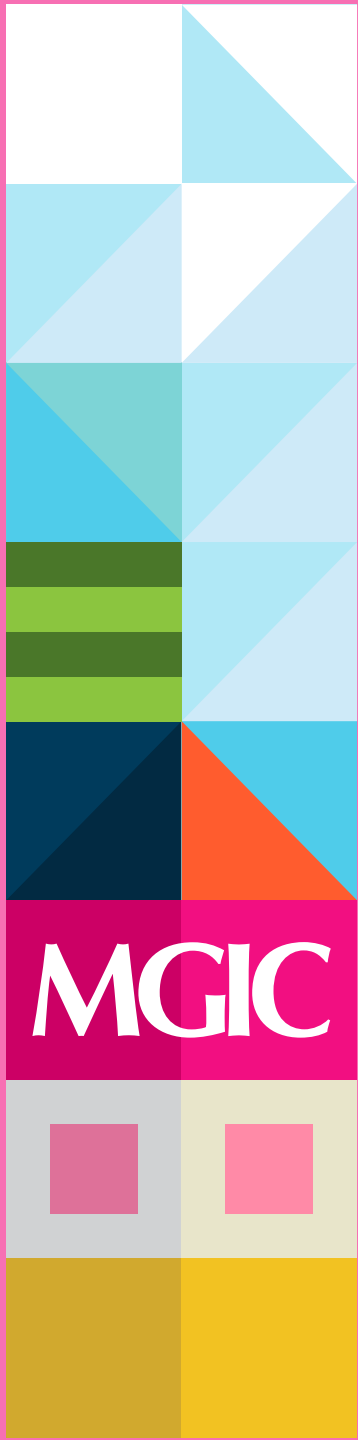
Ineligible properties

- Vacant land
- Not readily accessible
- Agricultural properties
- Units in condo or co-op hotels
- Properties not secured by real estate
- Boarding houses
- Bed and breakfast properties
- Properties not suitable for year-round occupancy

Property requirements

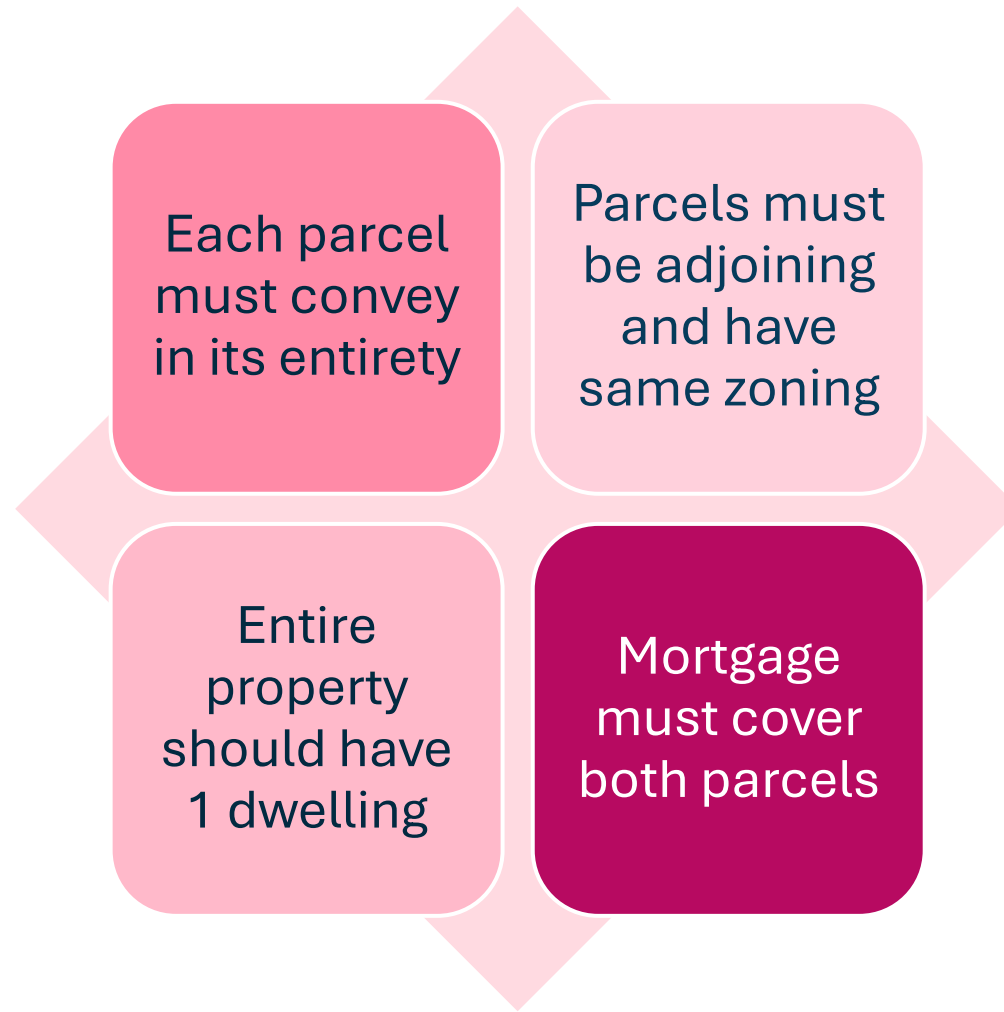
- Residential in nature
- Secured by an interest in real property
- Highest and best use of the property
- Be safe, sound and structurally secure
- Be complete
- Legal in zoning
- Readily accessible by roads
- Served by utilities
- Have adequate mechanical systems
- Have adequate property insurance
- Not be subject to pending legal proceeding
- Suitable for year-round use*

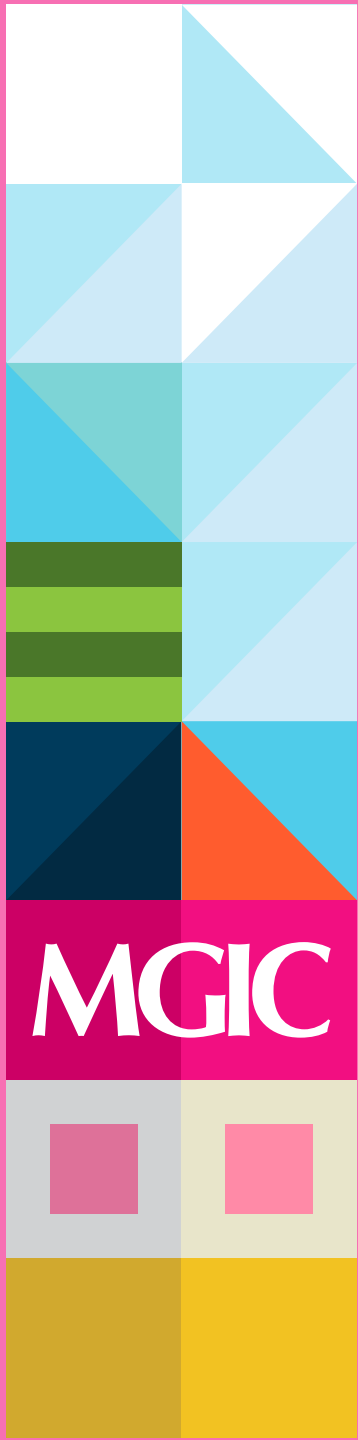
*Exceptions for some second homes



Can an additional adjacent unbuildable lot be added to a property deed as part of a purchase transaction?

Multi-parcel property





How do I calm my borrower's
nerves with the current
market uncertainties?

get ready the process at home



resources stories

en español

search

Readynest

Get ready for homeownership with Readynest by MGIC

Buying your first home can be daunting. We're here to break down the process, so you feel ready to spread your wings. We hope our tips, tools and stories will help you find, afford and love a home of your own.

featured content

the latest

HOMEBUYER RESOURCES

Buy now vs wait calculator



DOWN PAYMENT

Wedding gift trend: Cash for a down payment



SAVING AND BUDGETING

Banking basics: What you need to know to get started



readynest.com

view all

filter by type

filter by topic

filter by author

SAVING AND
BUDGETING

**Banking
basics: What
you need to
know to get
started**



DOWN PAYMENT

**Wedding gift
trend: Cash for
a down
payment**



WHY BUY

**What's the
bigger
commitment:
Marriage or
Mortgage?**



CREDIT

**Prepare to
apply for a
mortgage with
these credit
tips**



FINDING A HOME

**First-time
homebuyer's
dilemma:
Duplex or
single family
home?**



THE MORTGAGE
PROCESS

**What is a Loan
Estimate (LE)
and how does
it work?**



GETTING READY
TO BUY A HOUSE

**Are you a
typical first-
time
homebuyer?**



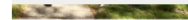
DOWN PAYMENT

**Who can gift
you money for
a down
payment on a
mortgage
loan?**



THE MORTGAGE
PROCESS

**Dynamic
duplex duo:
What happens
when things
don't go
according...**



AFFORDING A
HOME

**Dynamic
duplex duo: A
plan for
building wealth**



MORTGAGE
INSURANCE

**3 ways private
mortgage
insurance
helps
homebuyers**



MORTGAGE
INSURANCE

**What does
mortgage
insurance
cost?**



DOWN PAYMENT

**3 common
types of down
payment
assistance
programs
explained**



FINDING A HOME

**Is a
homeowners
association
(HOA) right for
you? Before
you buy...**



AROUND THE
HOUSE

**The secret to
an easier
moving day?
Command
Central**



FINDING A HOME

**Avoid first-time
homebuyer
fatigue (and
the costly
mistakes it...**

FINDING A HOME

**Homebuyer
starts her path
to building
wealth with a
15th-floor...**

GETTING READY
TO BUY A HOUSE

**Your first steps
to buying a
house: Get
schooled!**



THE MORTGAGE
PROCESS

**Explaining
escrow**

a deed, a bond, money, or a piece of
property held in trust by a third party
to be turned over to the grantee only

THE MORTGAGE
PROCESS

**Your guide to
mortgage
interest rate
buydowns in
2024**

MGIC

Buy Now vs. Wait Calculator

Did you know that you can buy a home with less than a 20% down payment?

Waiting to save 20% down can save you money in some areas, but it could **cost you money** in others. Our calculator can help you determine if buying a home right now might be the better choice for you.

start

[Buy Now vs. Wait Calculator](#)

buy now vs. the cost to wait

You're ready to buy now!

Rather than wait **11.17 years** before you buy, it's possible to buy now with as little as **3%** down or **\$9,000**. Consider this: if you buy now, after 11.17 years you will have reached \$182,880 in home equity. Rent payments build zero equity.

Buy now	Cost to wait
Buy Now with your 5% down payment	11.17 years to save 20% down payment
\$15,000 buy now down payment	\$83,639 future down payment
\$0 lost on rent payments if you buy now!	\$140,838 total rent paid while waiting
\$300,000 home price	\$417,347 home price due to appreciation

Monthly payment snapshot

	Buy now	Wait 11.17 years
Principal and interest	\$1,801.39	\$2,109.26
Taxes, HOA, insurance	\$500.00	\$692.12
Mortgage insurance	\$66.50	\$0.00
Total monthly payment	\$2,367	YES NO \$2,801.38

Buy: Low down payment - you may be eligible to buy with MGIC mortgage insurance. You may be eligible to remove the mortgage insurance in 5.08 years, reducing your payment by \$66.50.

Wait: In 11.17 years, rent is projected to be \$1,246. Rent payments build zero equity.

If buying now is the right financial decision for you, you'll eliminate the unknown when it comes to interest rates, home prices and housing availability.

Grand totals

back

Adjust your answers

Home price

−

+

\$0\$1,000,000

\$300,000

Amount you can afford for a down payment

−

+

\$0\$200,000

\$15,000

Estimated mortgage interest rate

−

+

0.000%10.000%

6.500%

Your credit

Excellent

Your monthly rent

−

+

\$0\$12,000

\$900

Your monthly savings contributions

−

+

\$0\$15,000

\$500

Optional Settings

Learn more and other resources

Get the flyer:

[71-43675-flyer-pdf-buy-now-vs-wait-calculator.pdf](#)

Buy Now vs. Wait Calculator

Wait and save? Or buy right now?

Here's a quick way to find out:
Buy Now vs. Wait Calculator

Realistically explore homebuying options by comparing the financial benefits of buying a house now against the costs associated with waiting to save up a 20% down payment.

The calculator instantly provides a comprehensive comparison of the financial implications of either choice:


Buy now
Low-down-payment mortgage options
Monthly mortgage payment
Projected earned equity
MI costs & eligibility to cancel MI
Cost to wait
Years to save a 20% down payment
Higher home price due to appreciation
Increased future down payment
Total rent paid while waiting

Fast & easy to use

Users input 6 variables about their current financial situation and desired home purchase:


- + Monthly rent
- + Monthly savings contributions
- + Credit rating
- + Home price
- + Available down payment funds
- + Estimated interest rate

MGIC



Calculate the possibilities. Explore the options related to down payments, buying a home and earning equity.

readynest.com/buynow

 71-43675 - 5/23



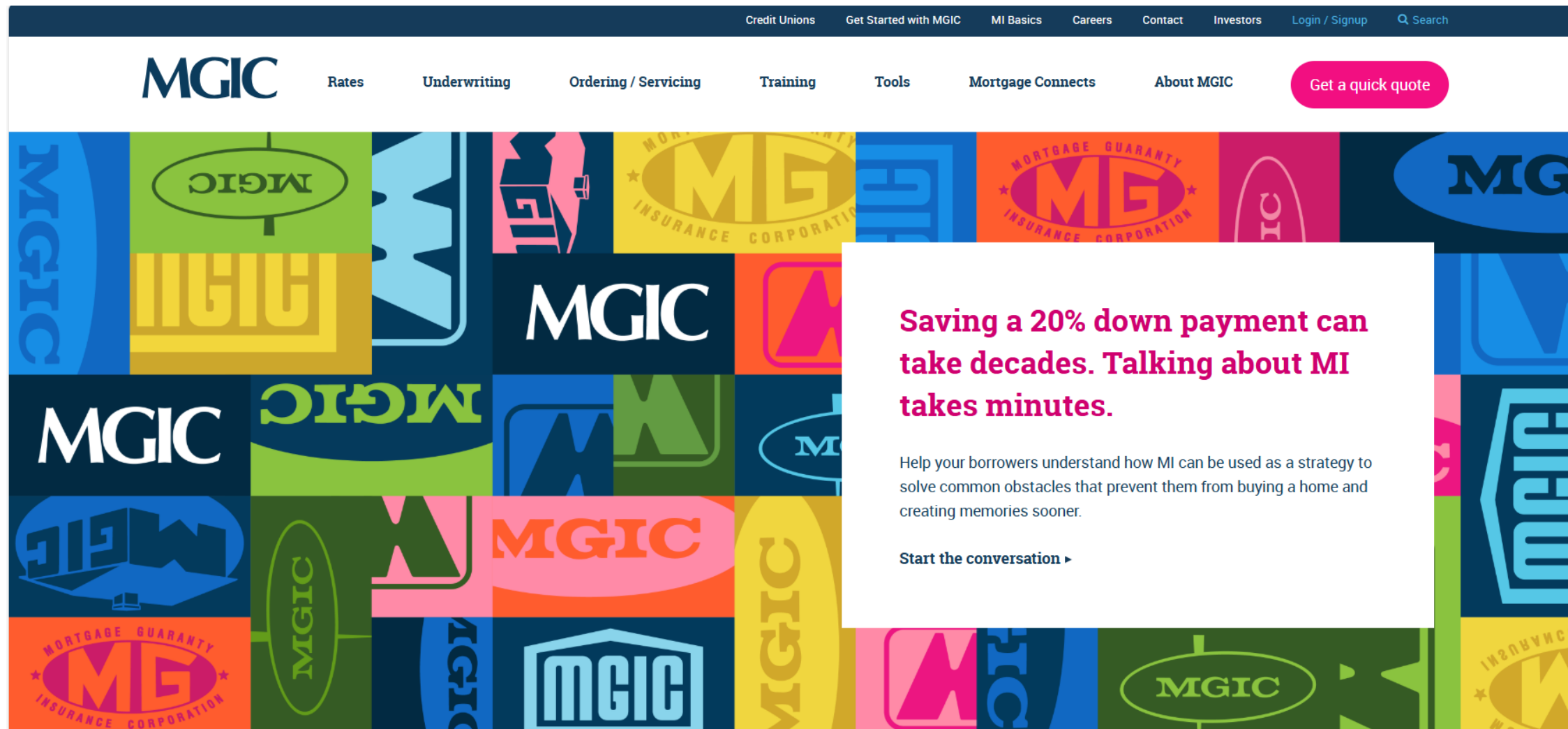
Please discuss HPA and early PMI cancellation.

What are all the MI options so that I can best sell MI?

How does lender-paid MI work?

How can I estimate PMI payments?

All about MI

The image shows the top portion of the MGIC website. At the top is a dark blue navigation bar with links: Credit Unions, Get Started with MGIC, MI Basics, Careers, Contact, Investors, Login / Signup, and a search icon. Below this is a white header with the MGIC logo on the left and a list of menu items: Rates, Underwriting, Ordering / Servicing, Training, Tools, Mortgage Connects, and About MGIC. On the right of this header is a pink button that says "Get a quick quote". The main content area features a colorful, abstract background composed of various MGIC logos and icons in shades of blue, green, yellow, and pink. Overlaid on this background is a white rectangular box containing text about Mortgage Insurance (MI).

Saving a 20% down payment can take decades. Talking about MI takes minutes.

Help your borrowers understand how MI can be used as a strategy to solve common obstacles that prevent them from buying a home and creating memories sooner.

Start the conversation ►

Lender-paid mortgage insurance (LPMI)

MGIC



Premium Plan Guide

A quick comparison of our 4 most popular premium plans

Buying a home is the biggest investment most Americans will ever make. Matching qualified borrowers with homes and mortgages takes professional analysis and knowledge. We can help. We've been helping lenders turn homebuyers into homeowners since 1957. We offer mortgage insurance options designed to fit borrowers' different needs.

For additional details, please consult your MGIC representative, mgic.com/contact.

Lender-paid mortgage insurance (LPMI)

Single Premiums



Lender-paid Single Premiums are paid by the lender at the time of insurance activation. Lenders often either increase the interest or charge borrowers an origination fee to cover the cost. Coverage remains in place for the life of the loan and can't be cancelled by the borrower.

Advantages

Lower monthly payment

The absence of a monthly MI payment often provides a lower monthly payment than Monthly or Split Premiums afford.

Ease of use

Because the borrower pays no upfront premium and no monthly payment, it's easy to explain to the homebuyer.

Marketing opportunity

Many lenders market lender-paid Singles as a "No MI" program or promote they're willing to pay the MI for borrowers.

3% points & fees impact

The amount paid up front is non-refundable. Include the entire amount in any points & fees calculations. The monthly premium has no impact.

Loan Estimate (LE) and Closing Disclosure (CD)

Disclose lender-paid Split Premiums in the Projected Payments table on both the LE and CD. The upfront amount is also reflected in the Closing Cost Details. Zero tolerance applies to the upfront portion paid at consummation.

Consider lender-paid Single Premiums for borrowers who want to:

- Minimize their monthly payment in the short term, even if it means forfeiting MI cancellation and the chance to reduce their monthly payment in the future
- Get the seller or builder to pay origination fees – especially in a buyer's market

Explore all our premium plans at mgic.com/plans

Get a quick quote at mgic.com/miq or contact us for more information about our MI Solutions at mgic.com/contact

MGIC

7143594 0223

MGIC

How to cancel mortgage insurance

If you have enough equity in your primary home and made your mortgage payments on time, you may be able to cancel your mortgage insurance.

Cancellation based on original value

The Homeowners Protection Act (HPA) provides conditions for you to request cancellation and for automatic cancellation by your lender based on the original property value.

Original value means the lesser of the sales price and the original appraised value. (If you've refinanced your mortgage, original value means the most recent appraised value.)

To request cancellation under HPA

You can ask your lender in a written request to cancel your mortgage insurance when your mortgage balance reaches 80% of your home's original value because:

- You've made all of your scheduled payments or
- You've made extra payments to reduce the principal balance ahead of schedule

Other requirements

- Your property value must be at least the same as its original value and
- There are no subordinate liens on your property
- You must have a good payment history, meaning you've had:
 - No payments 60 days or more past due during the 12-month period beginning 24 months before the date your mortgage reaches the cancellation date and
 - No payments 30 days or more past due during the 12-month period before the date your mortgage reaches the cancellation date

Lender-required cancellation under HPA

Your lender must automatically cancel your MI policy, with certain exceptions, when:

- You reach 22% equity in your home based on the original property value and original amortization schedule, and
- Your mortgage payments are current

Cancellation based current value

Outside of HPA, you can ask your lender – in writing – to cancel MI based on an increase in your property's appraised value.

Other requirements

- You need a good payment history in this scenario, too
- If your mortgage is at least 2 years old but less than 5, you typically need at least 25% equity in your home
- If your mortgage is 5 or more years old, you typically need at least 20% equity
- Your lender will typically require an appraisal to verify your property's new value

Your lender may have additional requirements.

Please note: If your lender paid for your mortgage insurance, you cannot cancel it. These scenarios apply only to borrower-paid mortgage insurance, meaning you paid for it.



MiQ highlights

- Rate quotes honored for 90 days
- Compare multiple premium plans
- Quick and user-friendly
- Backed by best-in-class customer service

mgic.com/MiQ

Are you still learning?

Let's play...



MGIC

MORTGAGE GUARANTY
INSURANCE CORPORATION

**Let us earn
your business!**



Get a free MI quote



mgic.com/MiQ

**Explore training &
special events**

mgic.com/training

**Connect
MGIC representative:
mgic.com/contact**

**Training email:
training@mgic.com**



Thank you!

training@mgic.com