

The MGIC logo is displayed in a dark blue, bold, sans-serif font within a light blue rectangular background. The logo is positioned in the upper right corner of the slide's decorative border.

# Rethink MI

How to use mortgage insurance  
as a strategy



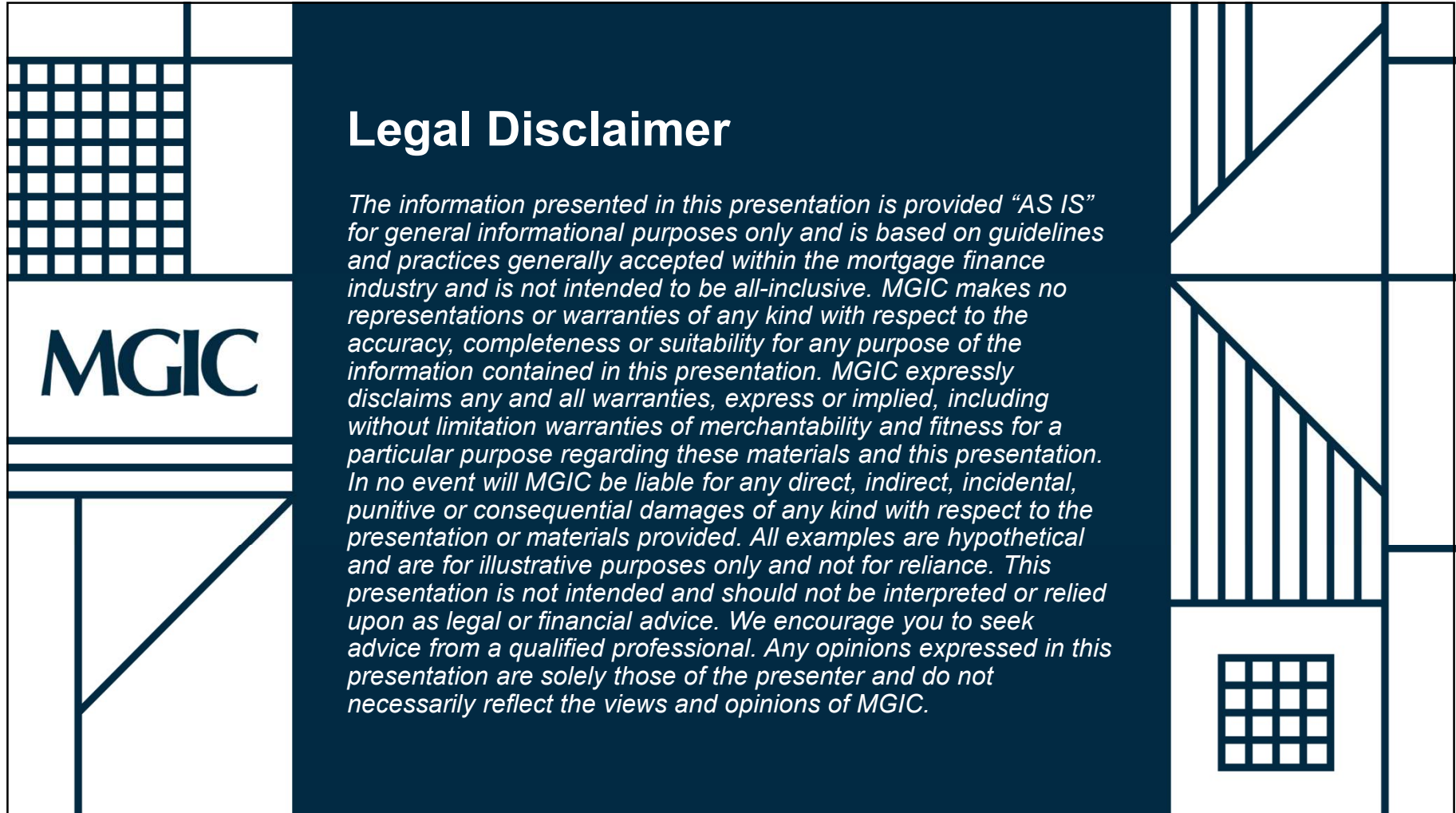


The MGIC logo is displayed in a bold, white, sans-serif font against a dark grey rectangular background. The background of the entire slide is a black and white photograph of a modern building's interior, featuring a grid of white lines and a staircase on the right side. The text is positioned in the upper right quadrant of the slide.

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**Since 1957, private MI  
has helped nearly  
40 million families  
become homeowners**

Source: USMI 2023 Report

The slide features a dark blue central panel with white text. To the left, the MGIC logo is displayed in a white box. The background is decorated with a grid pattern in the top-left and bottom-right corners, and diagonal lines in the top-right and bottom-left corners.

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The MGIC logo is rendered in a bold, dark blue, sans-serif font. It is positioned in the upper right quadrant of a light blue rectangular area that contains a faint architectural grid pattern. The grid consists of thin black lines forming a series of squares and rectangles, with some diagonal lines intersecting the main grid.

**How do you think and  
talk about MI today?**

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**Rethink MI**  
Change the conversation



# MI Solutions

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**The first-time homebuyer**

**MI Solutions**

**MGIC**

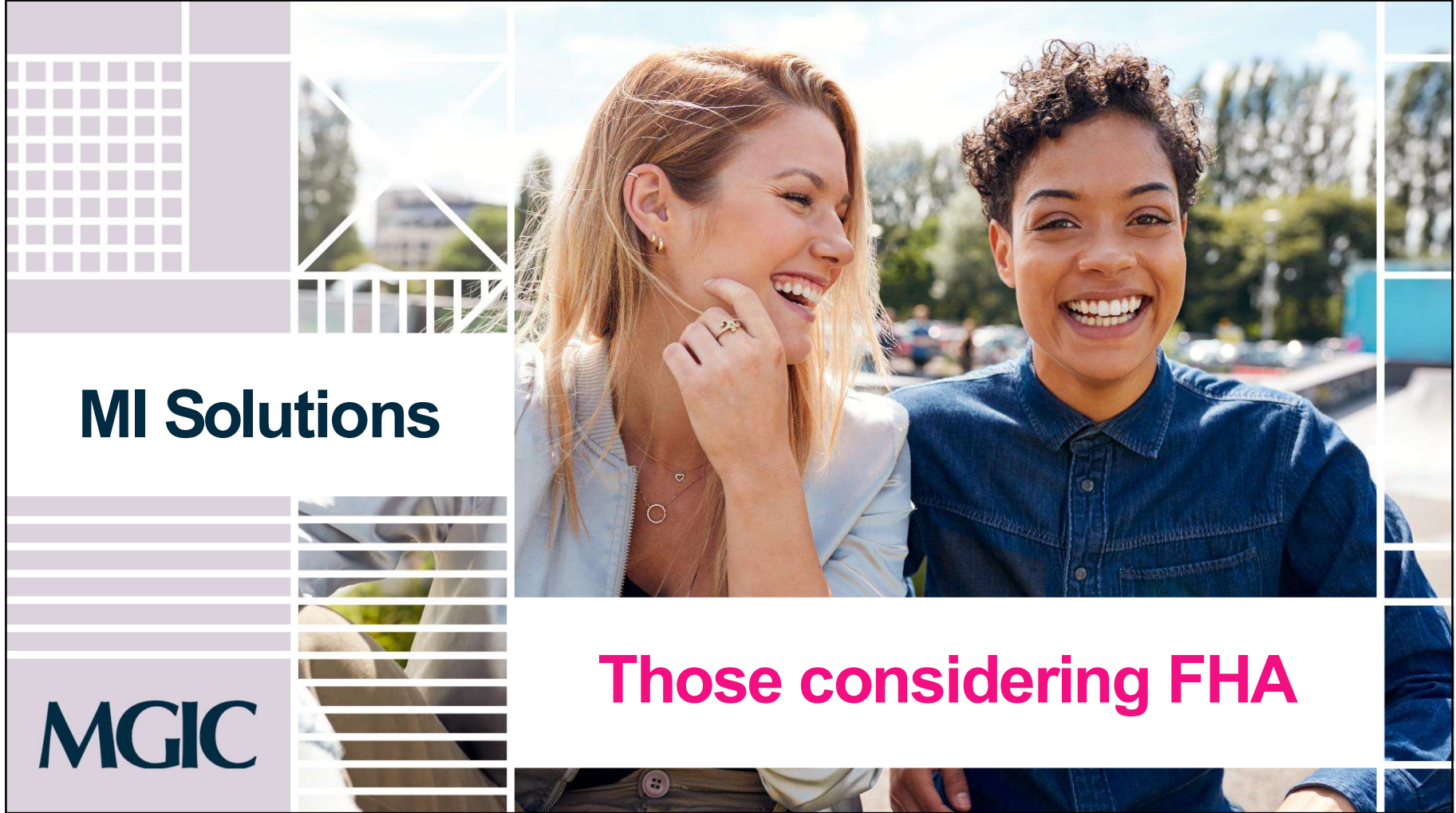
**The dreamer**



**MI Solutions**

**MGIC**

**The move-up buyers**



**MI Solutions**

**MGIC**

**Those considering FHA**

The MGIC logo is rendered in a bold, dark blue, sans-serif typeface. It is positioned in the upper right quadrant of a light purple rectangular field. The field is framed by a dark blue border and contains various geometric patterns, including a grid in the top left, a grid in the middle left, and several diagonal and horizontal lines forming a complex architectural or abstract design.

**Change the conversation  
with your borrowers.**



The MGIC logo is rendered in a bold, dark blue, sans-serif font. It is positioned in the upper right quadrant of a light purple rectangular frame. The frame is decorated with various geometric patterns, including a grid in the top left, a grid in the top center, and several diagonal and vertical lines on the right and bottom edges.

**It's not about AI. It's  
about solving problems.**



The MGIC logo is rendered in a dark blue, bold, sans-serif font. It is positioned in the upper right quadrant of a stylized architectural floor plan that serves as a background for the slide. The floor plan consists of various rectangular and square rooms, some containing grid patterns or diagonal lines representing windows or structural elements.

**Mortgage insurance  
is a strategy**

<p>AFFORD MORE HOME WITH MI</p>	<p>PUT LESS MONEY TOWARD A DOWN PAYMENT WITH MI</p>	<p>BUY SOONER WITH MI</p>
<p>EXPAND CASH FLOW OPTIONS WITH MI</p>		
	<p>MAINTAIN FLEXIBILITY IN HOMEBUYING BUDGET WITH MI</p>	<p>OVERCOME A LOW APPRAISAL WITH MI</p>

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**Mortgage  
insurance  
is a  
strategy**



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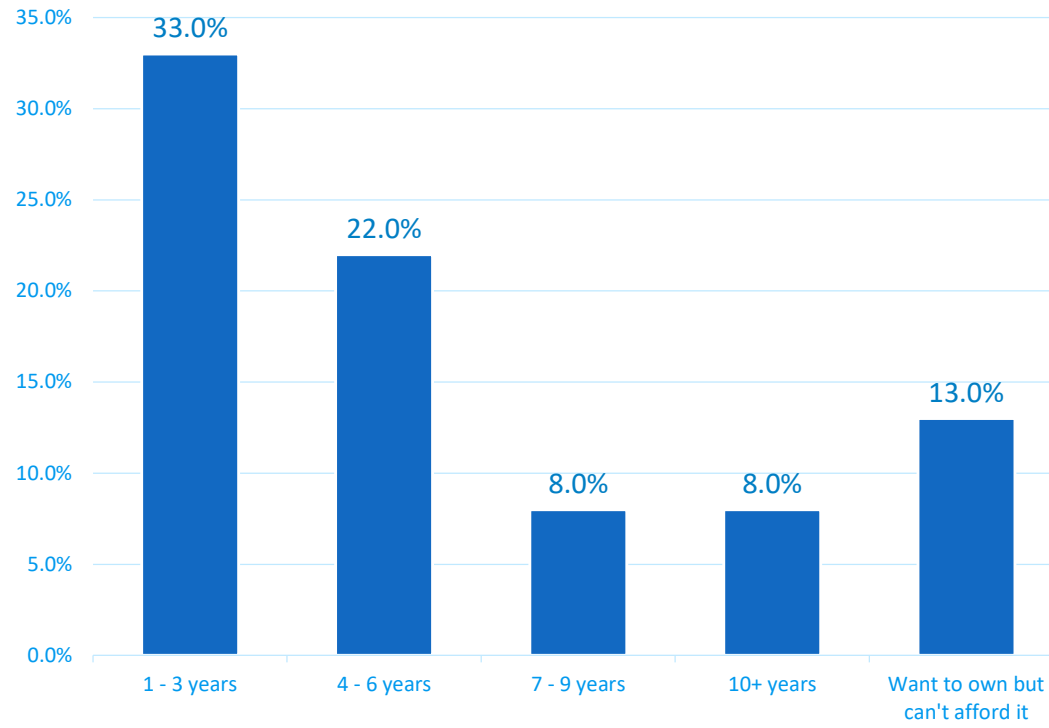
**MI Strategy**  
Help your borrowers  
buy sooner and earn  
more equity with a  
lower down payment



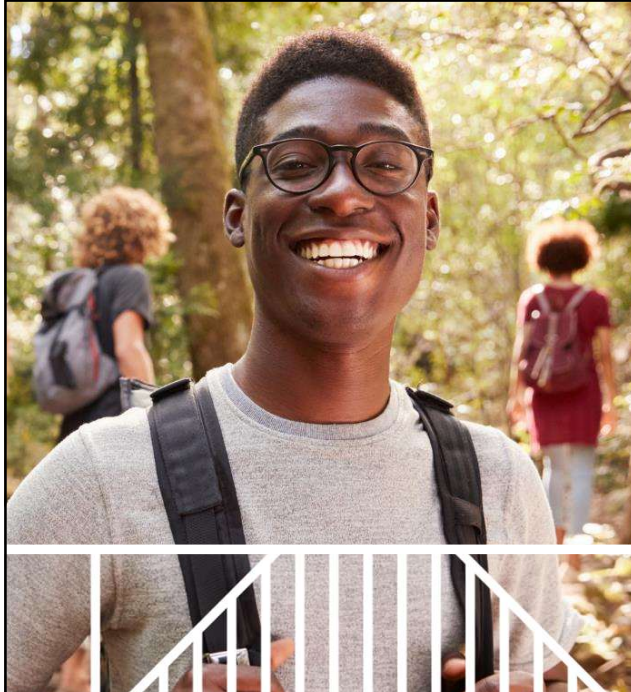
**Meet Isaiah,  
first-time homebuyer**

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### When do Gen Zers plan to buy a home?



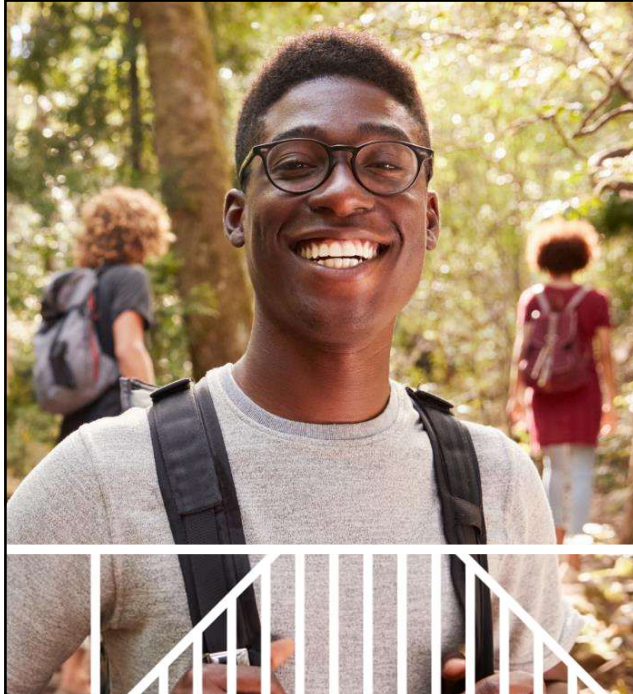
Source: Insurify survey, August 2024



**Meet Isaiah,  
first-time  
homebuyer**

- College grad with a few years in the workforce
- Eager to buy a home
- \$12,000 savings
- **His problem: The down payment hurdle**

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**Meet Isaiah,  
first-time  
homebuyer**

“62% of Americans say that a 20% down payment is required to buy a home.”

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Source: NerdWallet 2025 Home Buyer Report

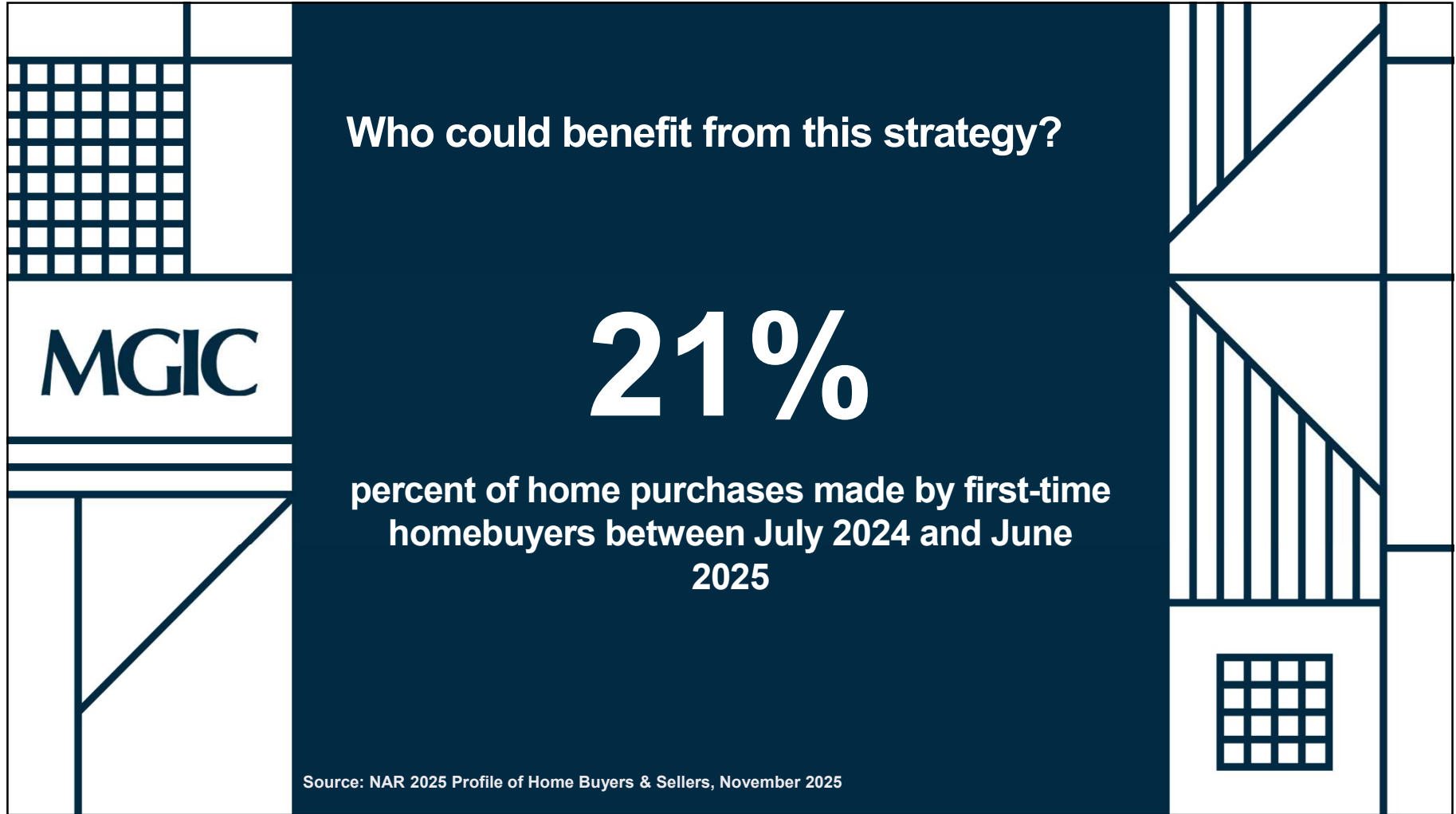
## Options for Isaiah

**Waiting to save up a 20% down payment would take Isaiah about 10 years**

If Isaiah buys now		If Isaiah buys in about 10 years	
Home price	\$300,000	Home price (due to appreciation)	\$365,698
<b>3% down payment</b>	<b>\$9,000</b>	<b>20% down payment</b>	<b>\$73,140</b>
30-year fixed rate	6.25%	30-year fixed rate	6.25%
Monthly P&I	\$1,729	Monthly P&I	\$1,801
MGIC Monthly MI	\$95	MGIC Monthly MI	\$0
Total monthly mortgage payment (P&I + MI)	\$1,886	Total monthly mortgage payment (P&I + MI)	\$1,801
Home equity position after 10 years	\$120,567	Home equity	\$73,140

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes: \$500 down payment savings per month at 0.6% APY; 2% annual home appreciation each year; representative MI premium based on rates as of 3/6/26. **Find your right rate, right now at [mgic.com/MiQ](https://mgic.com/MiQ).**

**Mortgage Guaranty Insurance Corporation**

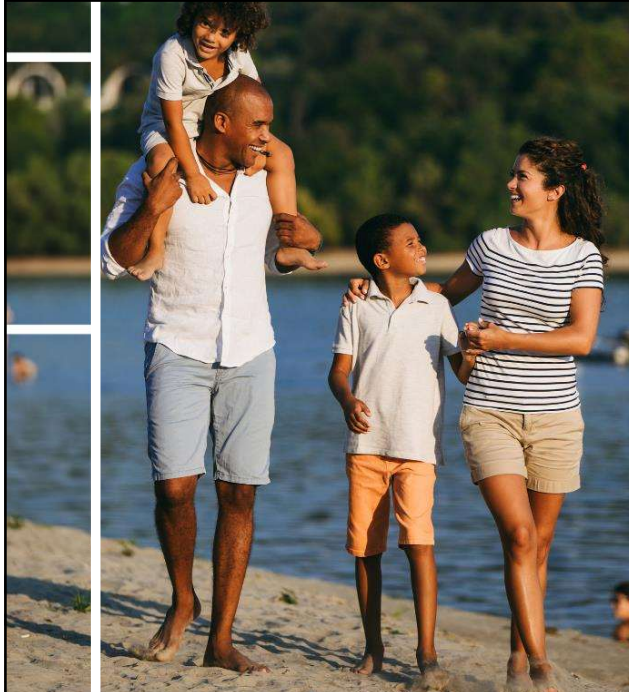


The MGIC logo is positioned on the left side of the slide, within a decorative purple and white geometric border. The letters "MGIC" are in a bold, dark blue, sans-serif font.

**MI Strategy**  
Show your  
borrowers how  
putting down less  
can be more



**Meet Amy and Jordan,  
move-up buyers**



**Meet Amy  
and Jordan,  
move-up buyers**

- Jordan and Amy have growing family and need a bigger home
- After selling their current home, they'll have 20% down
- With daycare expenses looming and college tuition in the not-so-distant future, is a 20% down payment their best choice for their new home?

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## Options for Amy and Jordan

By putting less money down and using MI, Jordan and Amy keep more money for savings

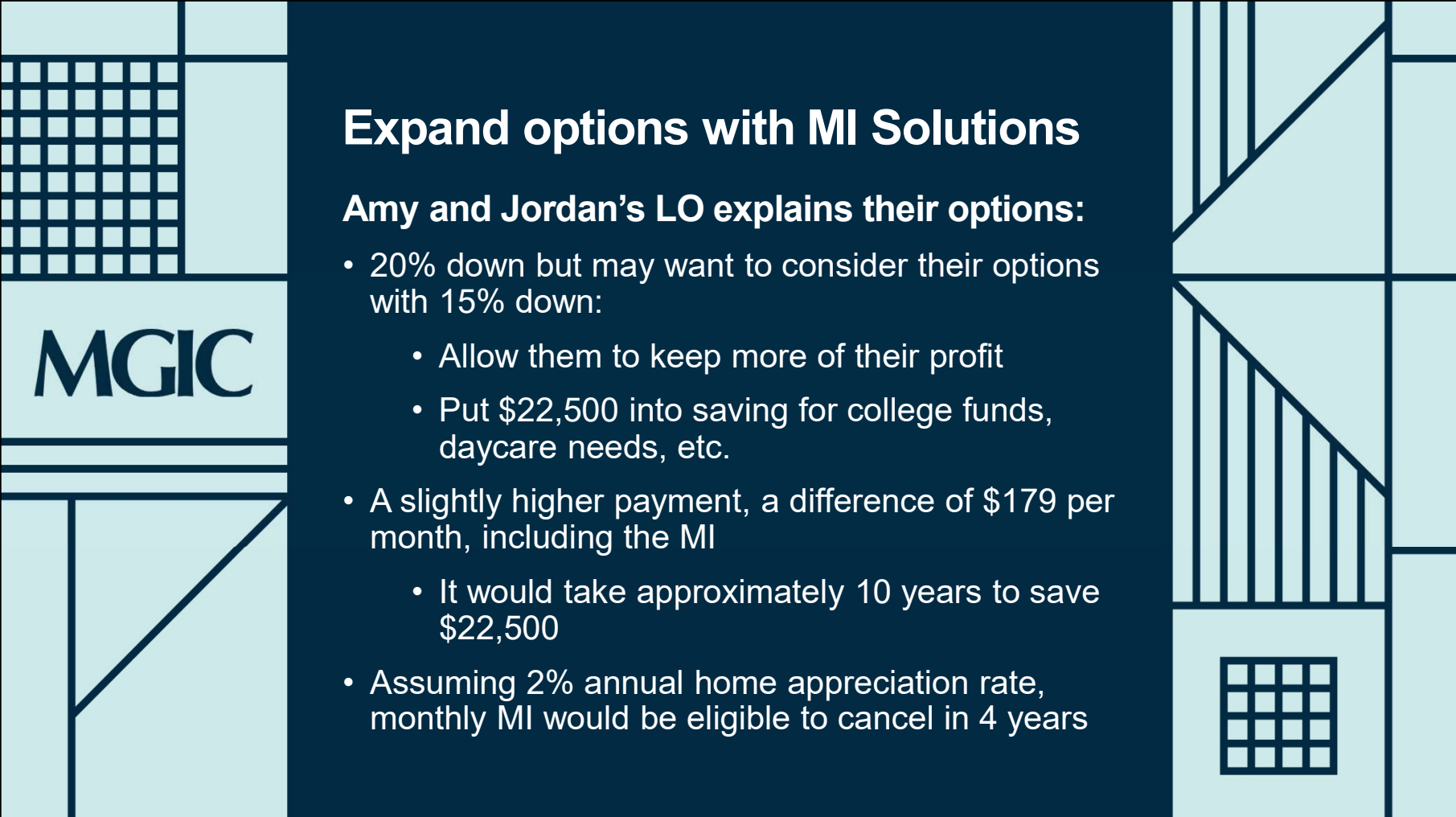
	20% down	15% down
Home price	\$450,000	\$450,000
Down payment	\$90,000	\$67,500
<b>Additional money left in savings</b>	<b>n/a</b>	<b>\$22,500</b>
P&I	\$2,217	\$2,355
MGIC Monthly MI	n/a	\$41
Total monthly mortgage payment (P&I + MI)	\$2,217	\$2,398

### Points to consider:

- At a difference of \$179 a month, it would take Jordan and Amy 10 years to save \$22,500 – the amount they can access right away by making a 15% down payment
- Assuming 2% annual home appreciation rate, monthly MI would be eligible to cancel in just 4 years

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes a 6.25% interest rate on 30-year fixed rate loan; representative MI premium based on rates as of 3/6/26 for Milwaukee, WI. Find your right rate, right now at [mgic.com/MiQ](https://mgic.com/MiQ).

**Mortgage Guaranty Insurance Corporation**

The slide features a dark blue central panel with white text. To the left and right of this panel are light blue decorative borders. The left border includes a grid pattern in the top-left corner and the MGIC logo in the middle. The right border includes a grid pattern in the bottom-right corner. The central text is as follows:

**Expand options with MI Solutions**

**Amy and Jordan's LO explains their options:**

- 20% down but may want to consider their options with 15% down:
  - Allow them to keep more of their profit
  - Put \$22,500 into saving for college funds, daycare needs, etc.
- A slightly higher payment, a difference of \$179 per month, including the MI
  - It would take approximately 10 years to save \$22,500
- Assuming 2% annual home appreciation rate, monthly MI would be eligible to cancel in 4 years

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## Saving for college

- 74% of parents cover a portion of their child's college expense using savings and income



Source: Sallie Mae - How America Pays for College, 2025

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## Saving for college

- 74% of parents cover a portion of their child's college expense using savings and income
- 17% of families use retirement funds for college



Source: Sallie Mae - How America Pays for College, 2025



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*Loss aversion*



**Meet Maria,**  
**buying her dream home**



**Meet Maria,  
buying her  
dream home**

- Maria finds her new home, her dream home, and it's a fixer-upper
- 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

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## Options for Maria

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

<b>Maria's dream home</b>	
Home price	\$375,000
20% down payment	\$75,000
5% down payment	\$18,750
<b>The difference</b>	<b>\$56,250</b>

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

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**Of homes bought last year:  
22% built in 1963 or earlier**



Source: 2026 NAR Home Buyers and Sellers Generational Trends

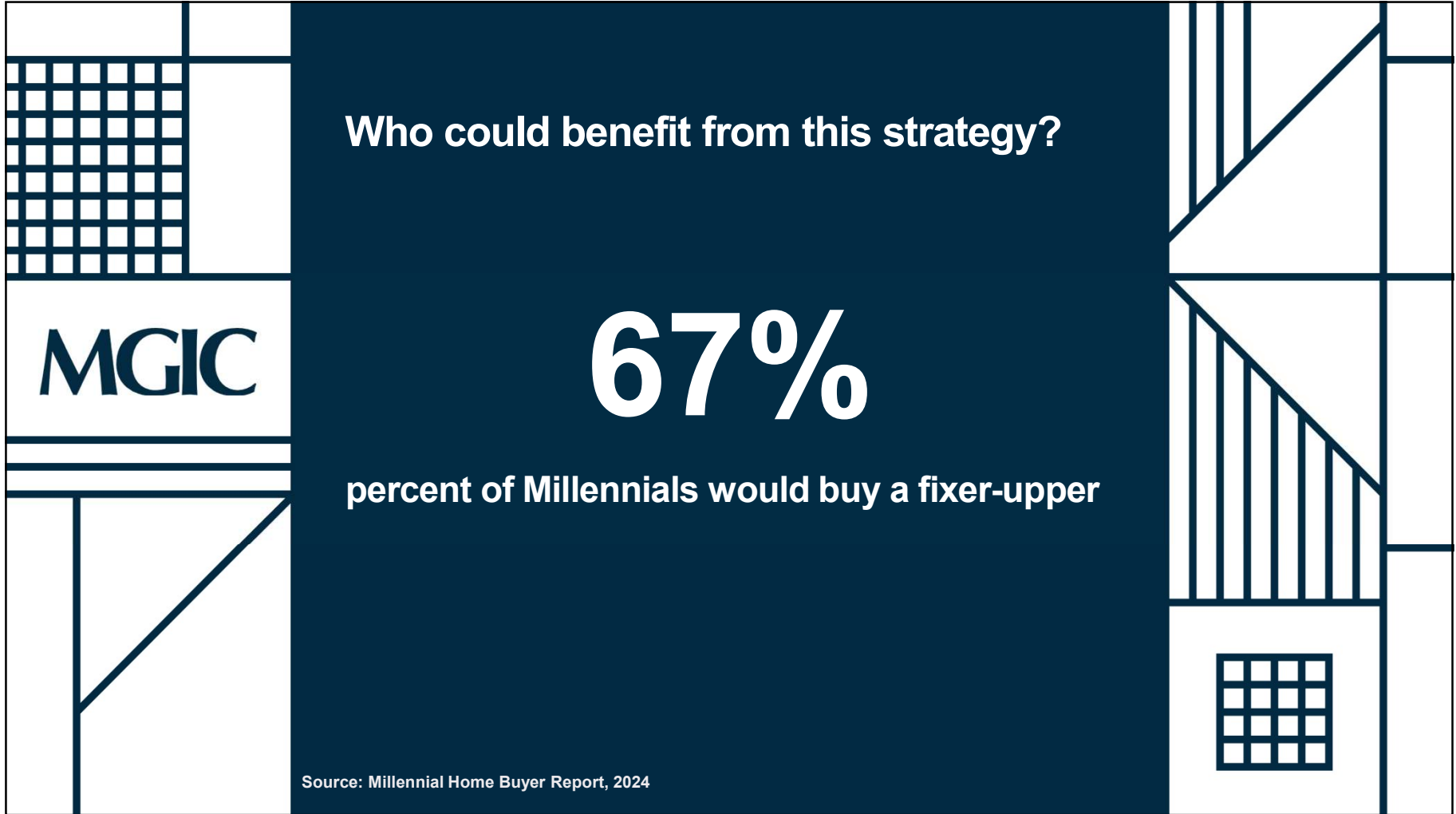
MGIC

24%

of buyers who purchased previously owned homes said they compromised on the condition of the home

Source: 2026 NAR Home Buyers and Sellers Generational Trends







**Meet Sarah and Val,  
considering FHA**



## Meet Sarah and Val

- Sarah and Val have the income to buy a home but not a lot of savings
- Looking to buy a \$300,000 home
- So far, they've saved \$15,000

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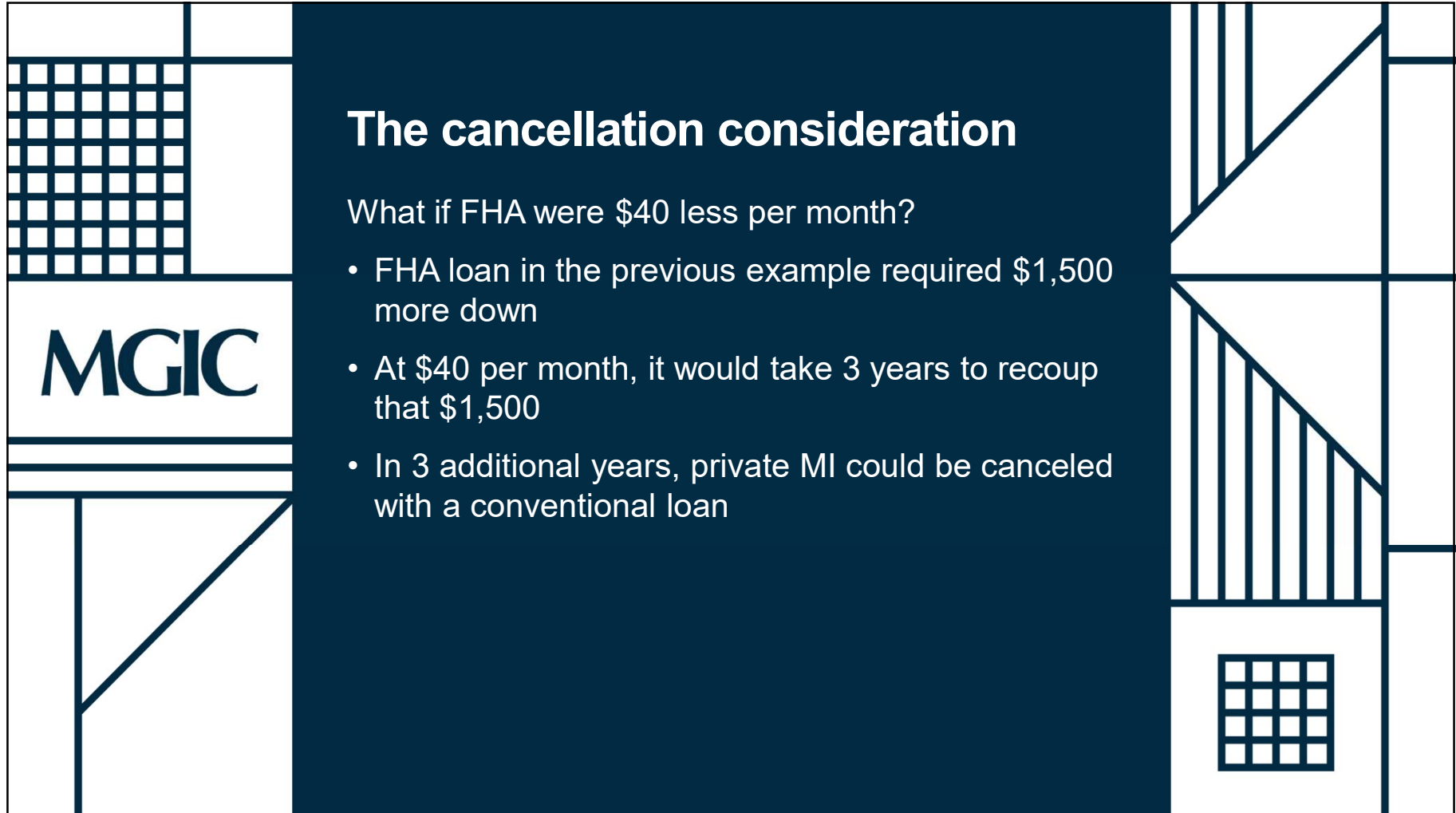
## Options for Sarah and Val

\$300,000 purchase	FHA with 3.5% down	MGIC Monthly MI with 3% down
Down payment	\$10,500	\$9,000
Upfront MI (financed into loan)	\$5,066	\$0
Total loan amount	\$294,566	\$291,000
Interest rate	6%	6.25%
Monthly MI	\$132	\$78
Total Monthly PI + MI	<b>\$1,898</b>	<b>\$1,870</b>
Est. home equity after 5 years	\$57,118	\$59,613
Est. months to cancel MI	N/A	69
Total monthly PI+MI after 69 months	<b>\$1,858</b>	<b>\$1,792</b>

### Points to consider:

- Despite putting \$1,500 less down by going conventional, they still owe less by avoiding an upfront premium fee
- Their total monthly mortgage payment is \$28 lower with MGIC MI; will be even lower once the MI is canceled
- Assuming 2% annual home appreciation rate, monthly MI would be eligible for cancellation in about 6 years

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes 30-year fixed rate loan; representative MI premium based on rates as 9/27/25; FHA premium rates based on rates as of 3/6/26. **Find your right rate, right now at [mgic.com/MIQ](https://mgic.com/MIQ).**

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## The cancellation consideration

What if FHA were \$40 less per month?

- FHA loan in the previous example required \$1,500 more down
- At \$40 per month, it would take 3 years to recoup that \$1,500
- In 3 additional years, private MI could be canceled with a conventional loan

# MI cancellation

Mortgage Guaranty  
Insurance Corporation

# Private MI may be canceled

## 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

# Private MI may be canceled

## Original value

### Lender-required

Automatic termination at 78% LTV based solely on the initial amortization schedule and whether 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 canceled 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

# Private MI may be canceled

## Current value

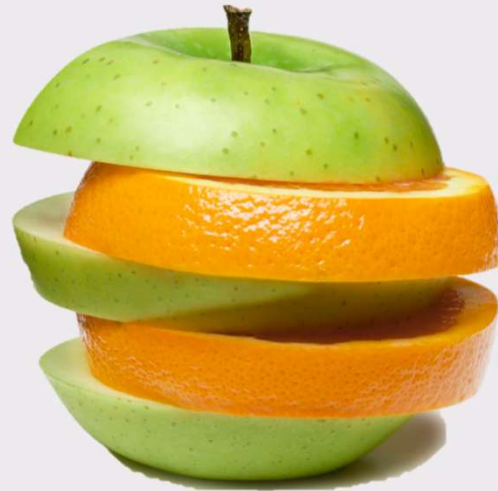
**Borrower-requested**


**Fannie Mae and Freddie Mac typically require:**

- The loan be seasoned at least 2 years **AND**
- The borrowers have an acceptable payment history **AND**
- The LTV based on a current appraisal is:
  - 75% LTV or lower if less than 5 years have elapsed since the loan originally closed **OR**
  - 80% LTV or lower if more than 5 years have elapsed since the loan originally closed

**So how do they compare?**

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

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## Choice Monthly MI 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.

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**rethinkML.com**



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