

MI Solutions

How to present private mortgage insurance
to referral partners and homebuyers

Mortgage Guaranty
Insurance Corporation

Presented by:

Vance Edwards, CMB

MGIC Director, Marketing – Brand Management





Agenda

Presenting MI to real estate agents

Presenting MI to consumers

MGIC resources

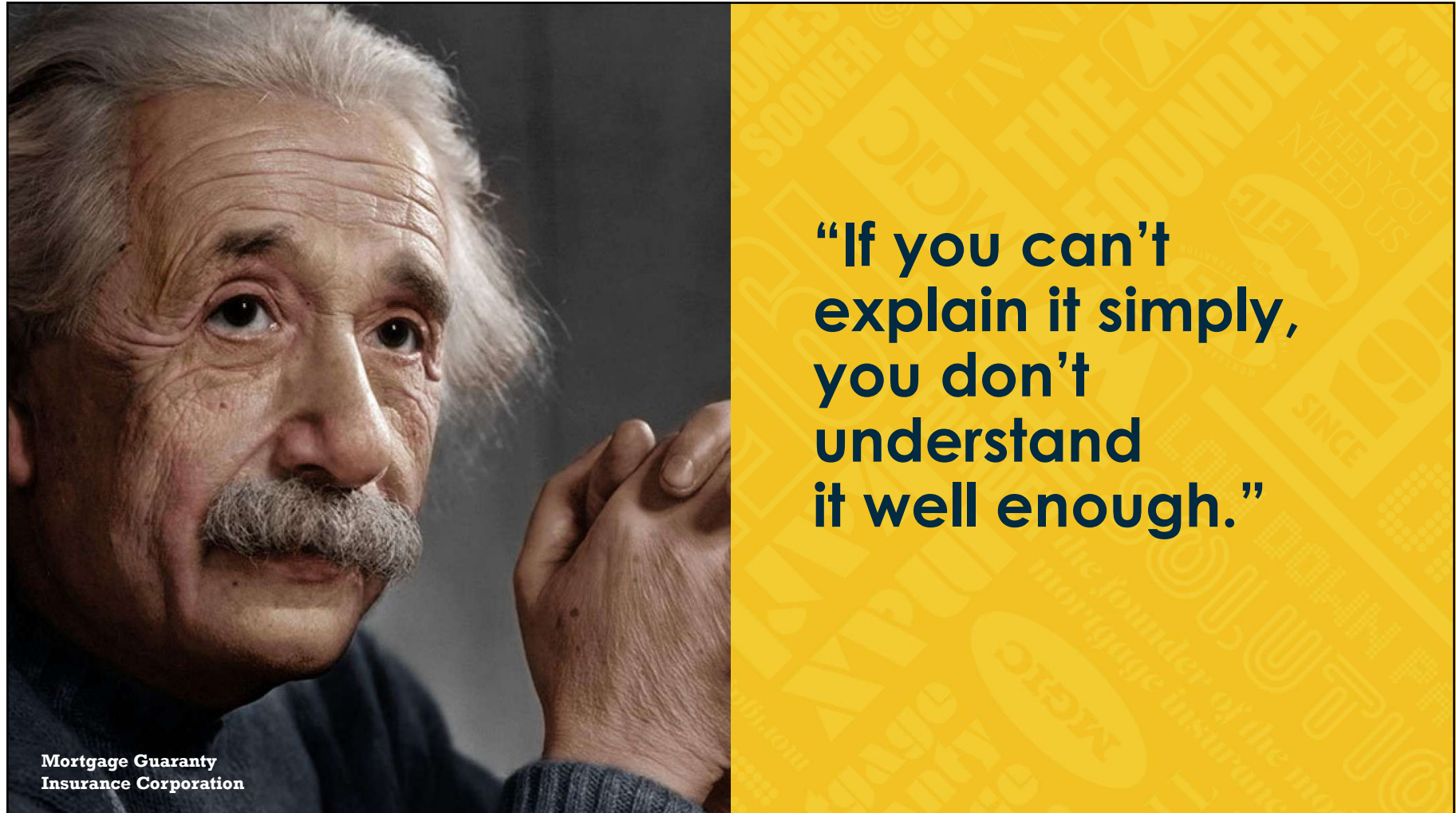
Before we get started...

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MI, Private MI or PMI

a financial guaranty that reduces loss
to the lender or investor in the event the borrowers
do not repay the mortgage



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But what is it **really**?

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For you?

Structure safe,
high-LTV loans

Increase your
customer and
referral base

Better serve your
community

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For real estate
agents?

How MGIC changed the conversation

Before MGIC: “Well, how
much money do you have?”

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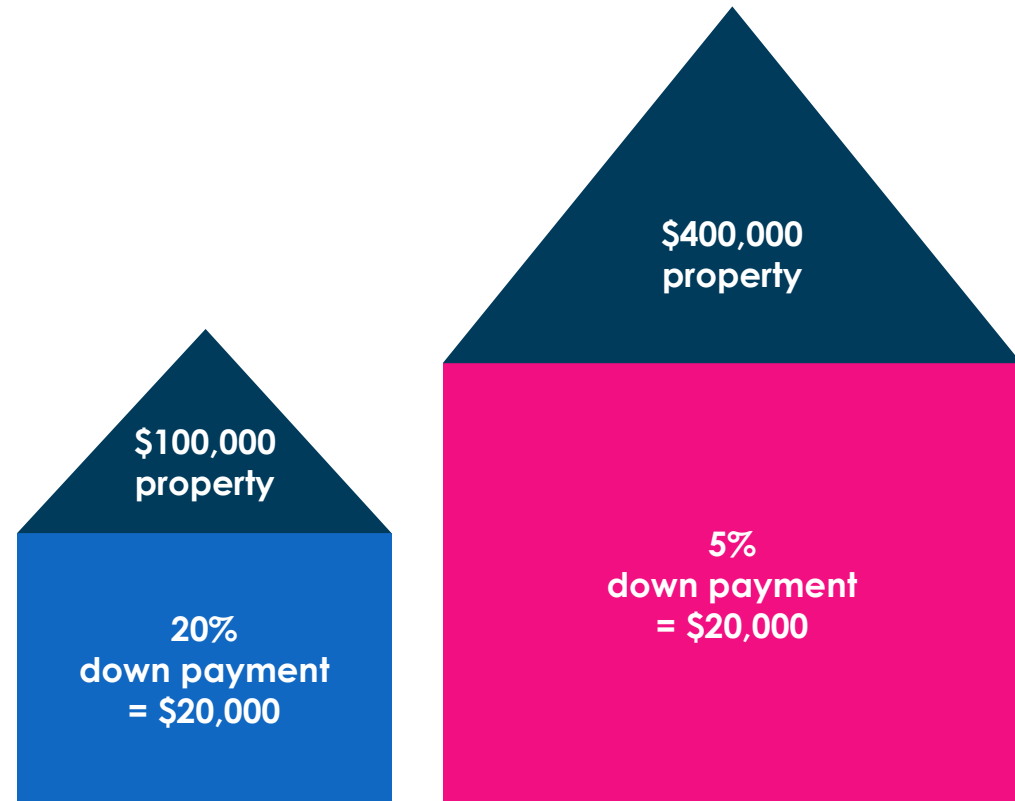


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How MGIC changed the conversation

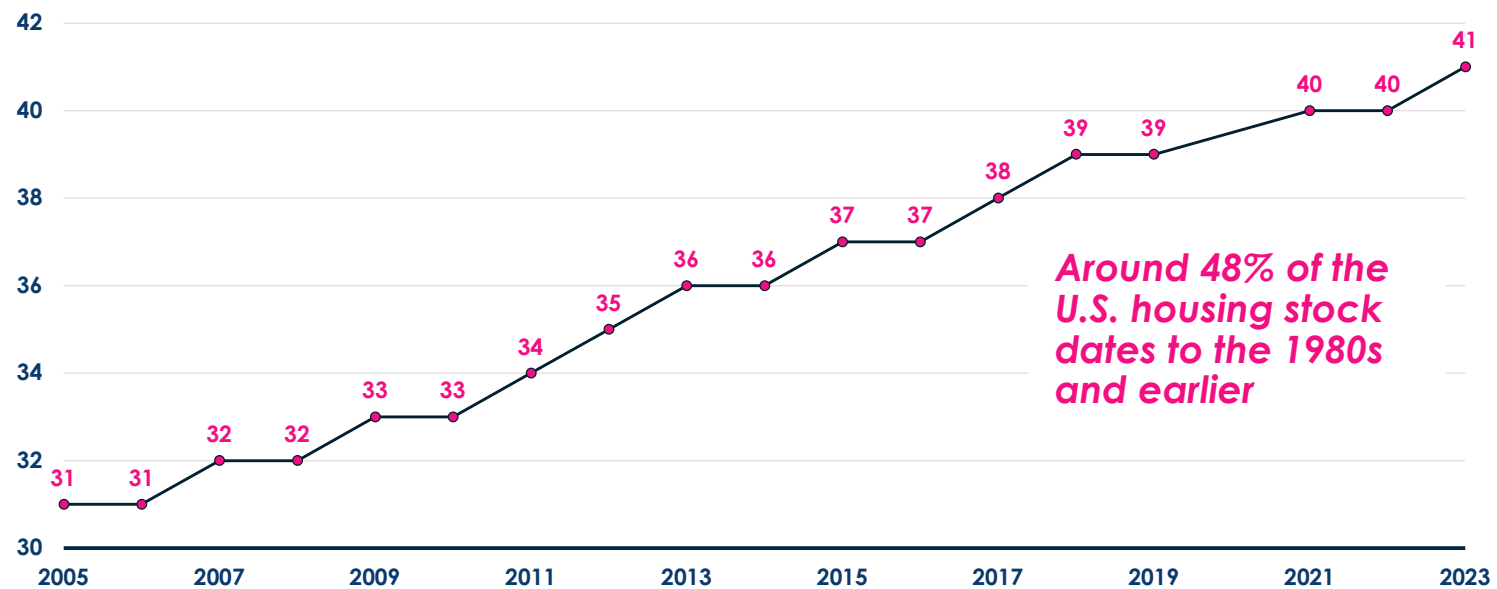
With MGIC: “How much
can you afford?”

**Which do you
think real
estate agents
would prefer
to sell?**



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Median age of owner-occupied housing

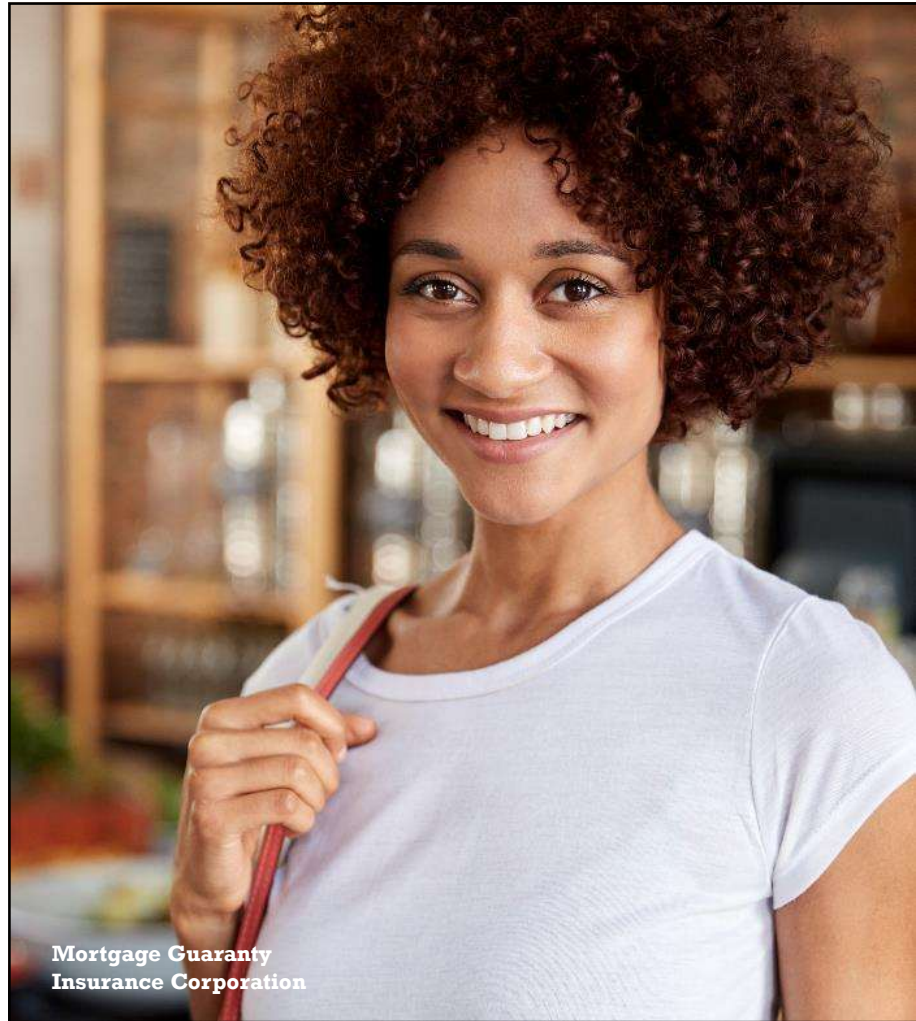


Source: National Association of Home Builders, April 2025

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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

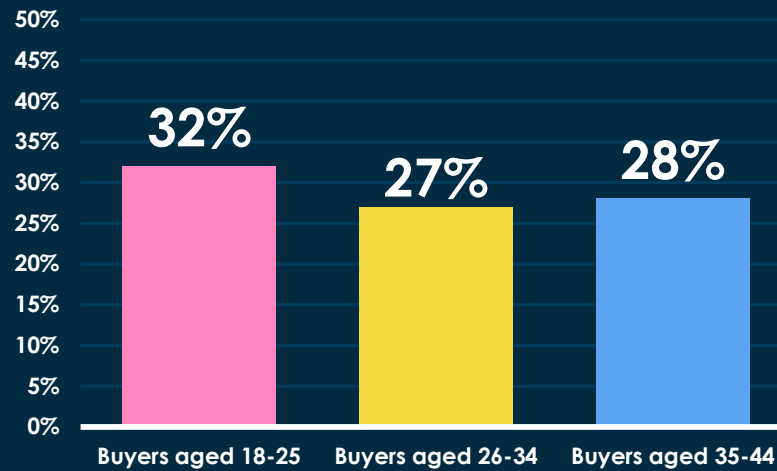
She's not sure if she should buy a smaller turnkey home instead

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

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

Example is for illustrative purposes and meant only for mortgage and real estate professionals.

23% of all buyers said they compromised on the condition of the home



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Source: NAR's 2025 Home Buyers and Sellers Generational Trends Report



67%

of millennials
would buy a fixer-upper

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Source: 2024 Millennial Home Buyer Report



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For borrowers?



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The primary
reason buyers
59 and younger
purchased a
home last year:
The desire to
own a home of
my own.

Source: NAR's 2025 Home Buyer and Seller Generational Trends Report



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Buy now instead of waiting

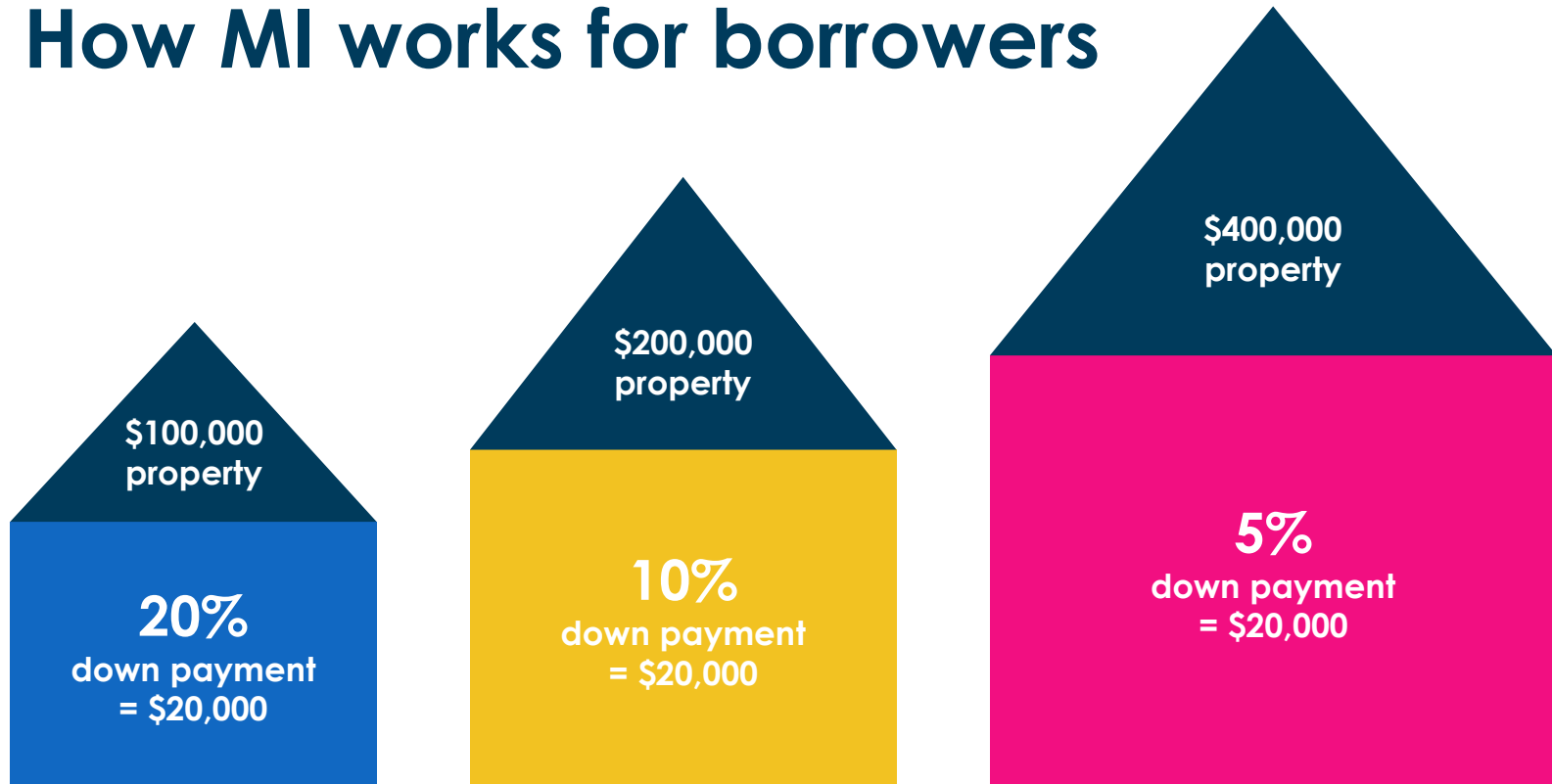
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How borrowers benefit from private MI

- Increased buying power
- Expanded cash flow options
- Lower monthly payment for higher credit scores
- Less debt and more equity than FHA
- Ability to cancel when no longer needed
- May be tax deductible*

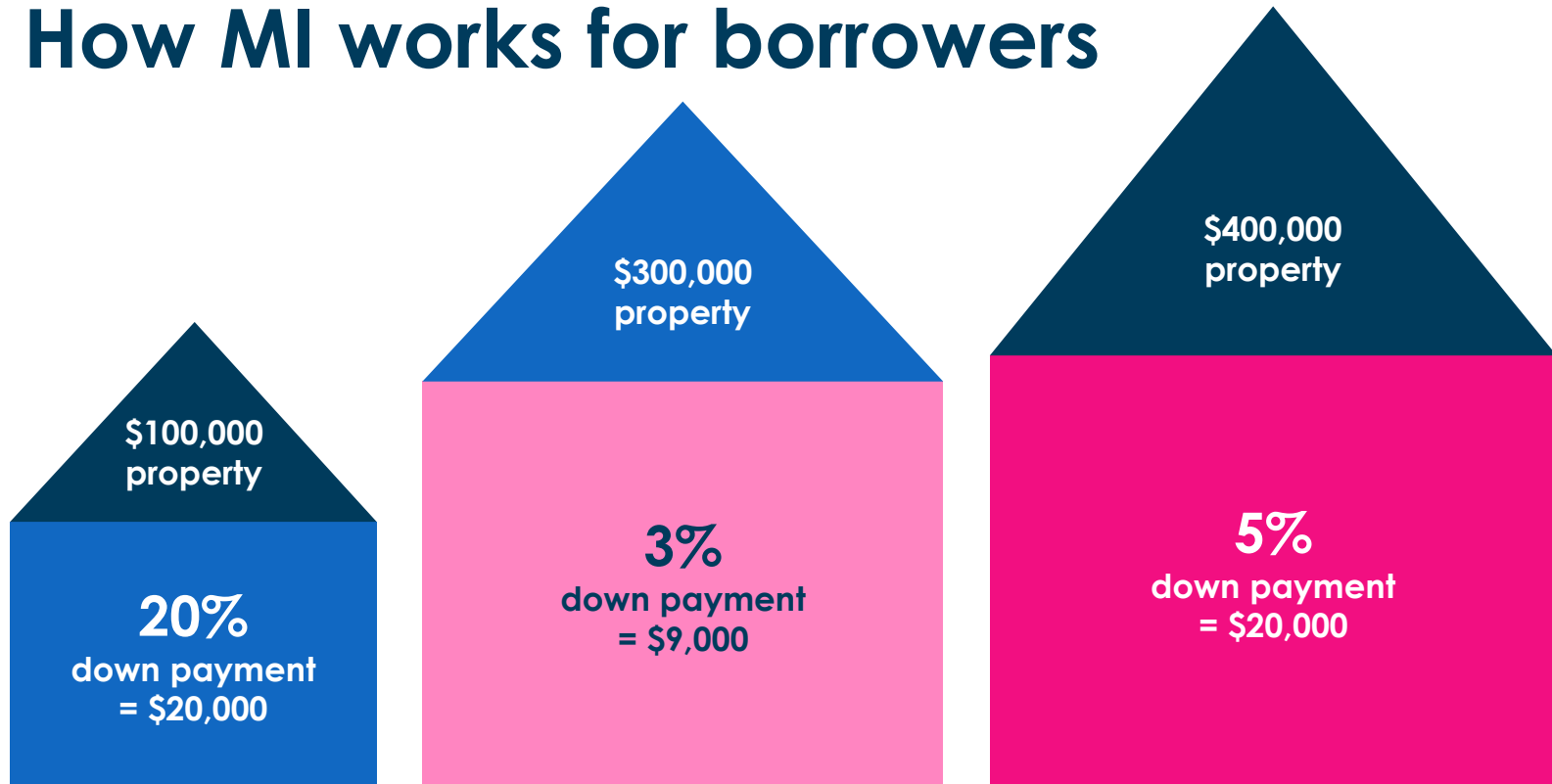
*Starting in tax year 2026; depends on taxable income and filing status; consult a tax professional

How MI works for borrowers



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How MI works for borrowers



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Let's do some math!

Homebuyers aged 30 to 39

Median annual
income of homebuyers
(ages 35-44)

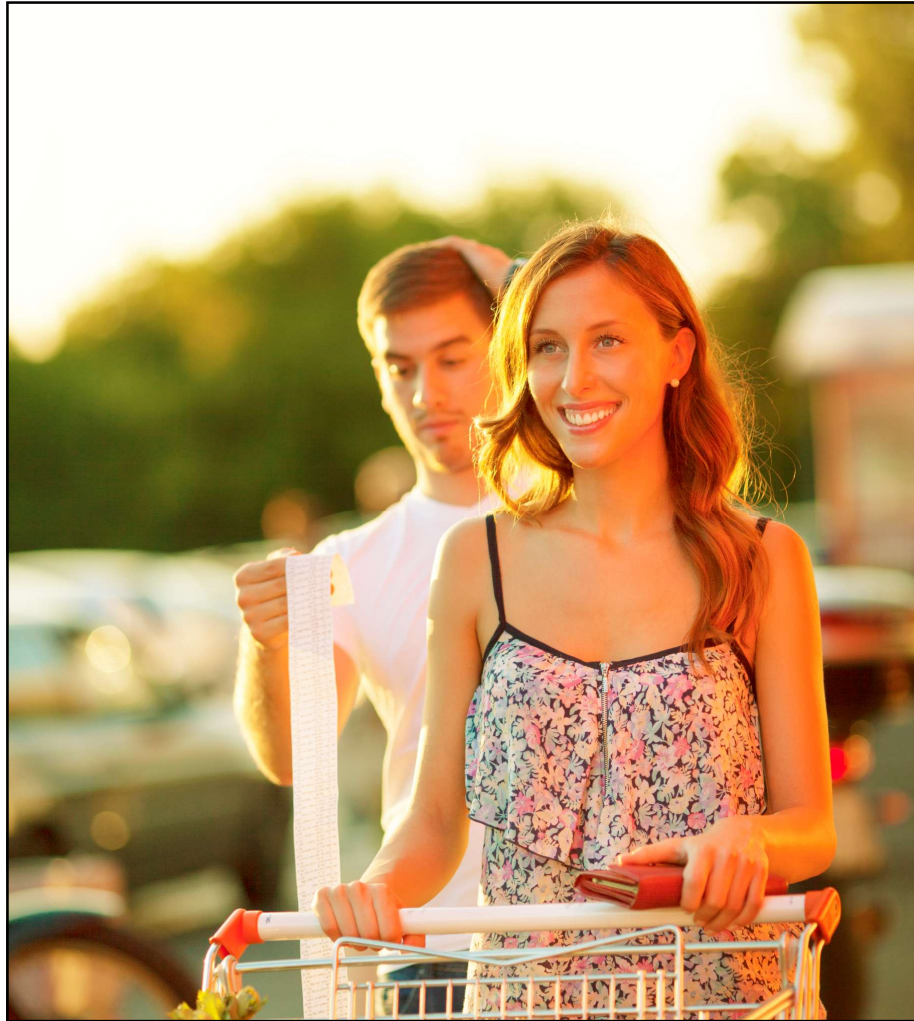
\$127,500

Source: NAR's 2025 Home Buyer and Seller
Generational Trends Report

Median sale price
of existing home in
June 2025

\$435,300
(record high!)

Source: NAR's Existing-Home Sales Report, July 2025



Let's do some math!

\$350,000 home purchase

- At a savings rate of 5% for a median income of \$127,500 = \$6,375/year
- 20% down payment = \$70,000
- Almost 11 years to reach 20% down payment



Let's do some math!

\$350,000 home purchase

- At a savings rate of 5% for a median income of $\$127,500 = \$6,375/\text{year}$
- 5% down payment = $\$17,500$
- Under 3 years to reach 5% down payment

MI strategy

Show your borrowers how
putting down less can be more

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Meet Amy and Jordan, move-up buyers

Jordan and Amy have a 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?

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

	20% down	15% down
Home price	\$420,000	\$420,000
Down payment	\$84,000	\$63,000
Additional money left in savings	n/a	\$21,000
P&I	\$2,179	\$2,315
MGIC Monthly MI	n/a	\$33
Total monthly mortgage payment (P&I + MI)	\$2,179	\$2,348

Points to consider:

- At a difference of \$169 a month, it would take Jordan and Amy 10 years to save \$21,000 – the amount they can access right away by making a 15% down payment
- Assuming 3% annual home appreciation rate, monthly MI would be eligible to cancel in just over 3 years

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes a 6.75% interest rate on 30-year fixed rate loan; 2 borrowers with 760 credit scores, 35% DTI ratio and 25% housing ratio. MI premium based on rates as of 8/12/25 for Milwaukee, WI. **Find your right rate, right now at mgic.com/MIQ.**

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 \$21,000 into savings for college funds, daycare needs, etc.
- A slightly higher payment, a difference of \$169 per month, including the MI
 - It would take approximately 10 years to save \$21,000
- Assuming 3% annual home appreciation rate, monthly MI would be eligible for cancellation in just over 3 years



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**38% of recent
buyers want to
rebuild their
savings – making it
the most common
financial goal after
buying a home!**

Source: Clever's 2025 American Home Buyer Report

**66% of first-time
homebuyers experienced
unexpected home issues
after buying, costing
\$5,356 on average**

Source: Guardian Service Study of First-time Homebuyers, May 2025

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Why it's so important now

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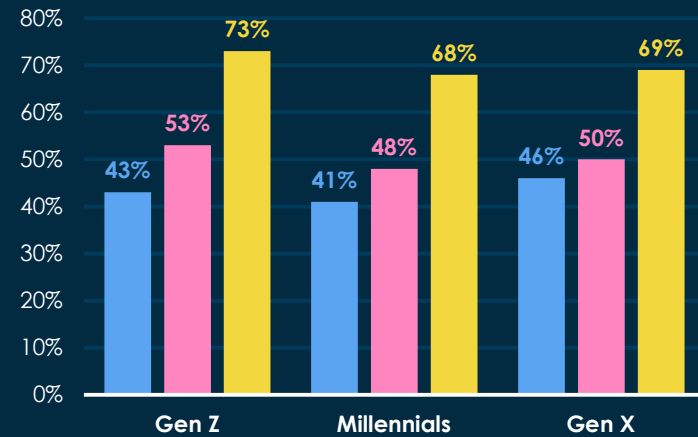
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**More than 70%
of renters would
prefer to own a
home**

Source: Federal Reserve Bank of New York, 2025



Main obstacle preventing them from owning?

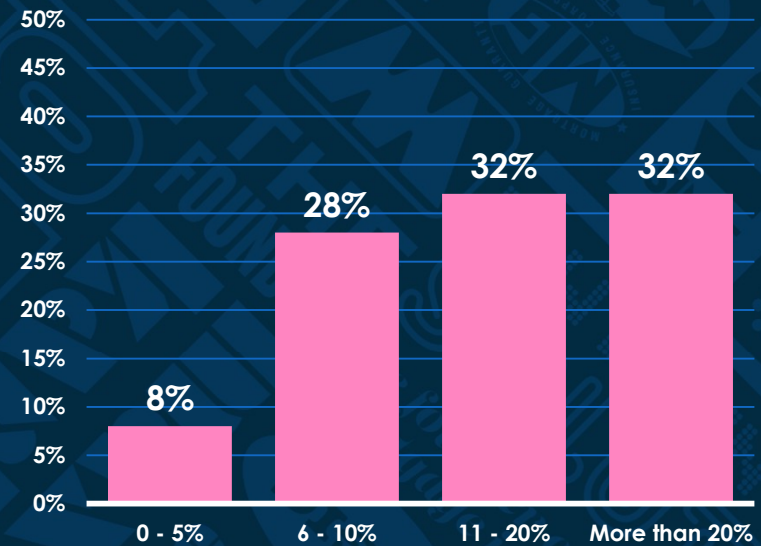


Can't qualify for mortgage
 Can't afford monthly mortgage payment
 Can't afford down payment

Source: Motley Fool Money's Millennial Home-Buying and Homeownership Statistics, June 2025



How much do you think you need for a house down payment?

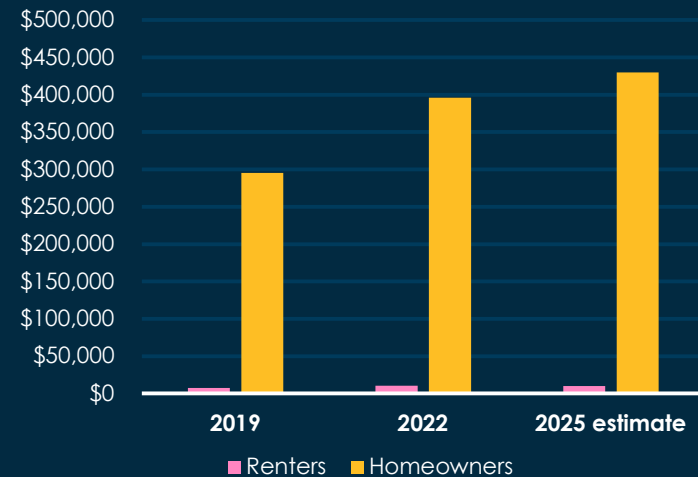


Source: ICE's 2025 Borrower Insights Survey



Typical homeowner has a median net worth 43x wealthier than typical renter

Median net worth



Source: Realtor.com, June 2025



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**There is a \$72,000
difference in median
housing wealth of
those who bought
their first home
between ages 25
and 34 and those
who waited until they
were 35 to 44**

Source: Urban Institute, Nov. 2018




Let us help!


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en español

get readythe processat homeresourcesstoriessearch



Readdyne**st**



Get ready for homeownership with Readdynest** 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



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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...



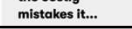
AROUND THE HOUSE

The secret to an easier moving day? Command Central




FINDING A HOME

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



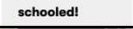
FINDING A HOME

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



GETTING READY TO BUY A HOUSE

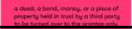
Your first steps to buying a house: Get schooled!



THE MORTGAGE PROCESS

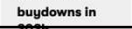
Explaining escrow

Escrow is a third-party arrangement where a neutral third party holds funds or assets on behalf of two parties to a transaction.



THE MORTGAGE PROCESS

Your guide to mortgage interest rate buydowns in...




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get ready

the process

at home



resources

stories

en español

search

homebuyer resources

Use our financial calculators, checklists, and glossary as you navigate the homebuying process.

homebuyer education options

These online programs meet homebuyer education requirements for many loans. Be sure to check with your lender to make sure the program you choose meets your loan requirements.

Homebuyer education options

Landlord education options

homebuyer readiness quiz

How much do you know about the process of buying a home? Quiz yourself to find out!

Homebuyer readiness quiz

calculators

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The graphic features a dark blue background. In the center is a large blue rectangle. Inside this rectangle is a white box containing the MGIC logo, the title 'Buy Now vs. Wait Calculator', a bolded question, a paragraph of text, and an orange 'start' button.

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

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Give us a snapshot of your current financial situation.

Your monthly rent

-

+

\$1,300

\$0

\$12,000

Your monthly savings contributions

-

+

\$500

\$0

\$15,000

Your credit

Excellent ▾

back

next

Did you know your credit is just as important as your savings for lenders deciding whether or not to approve a loan?

Learn all about credit at readynest.com.

Mortgage Guaranty Insurance Corporation

Tell us a little bit about the home you'd like to buy.

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%

back

next

Right now, you have a 5% down payment in savings based on your desired home price. Did you know with MGIC mortgage insurance you can buy with as little as 3% down?

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	\$2,367.89	\$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



Amount you can afford for a down payment



Estimated mortgage interest rate



Your credit

Excellent ▾

Your monthly rent



Your monthly savings contributions



+ Optional Settings

+ Learn more and other resources

Thank you for choosing MGIC!

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