

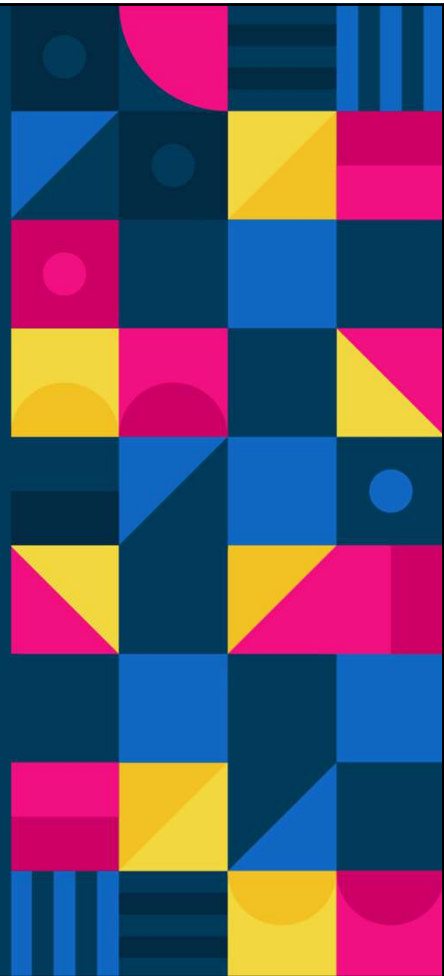
Strengthen your relationships with real estate agents

Presented by:

Stephanie Budnik, AMP – Sr. Marketing Program Manager

Kevin Hearden – Director, Product Development

MGIC



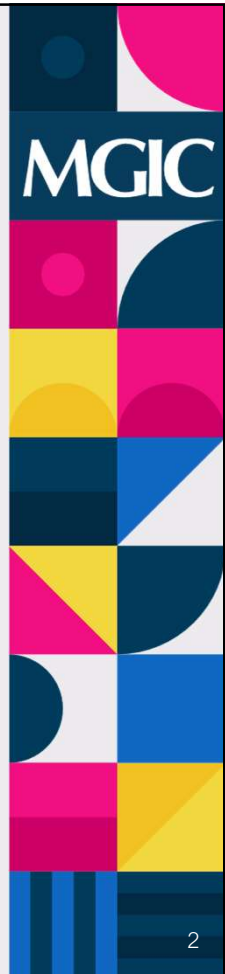
Legal disclaimer

The materials included in this presentation are intended for general information only. This presentation is not intended to be complete or all-inclusive regarding the matters discussed herein, and nothing contained in this presentation is intended, or should be relied upon, as legal, accounting, compliance or other professional advice.

Although MGIC believes the information set forth in this publication is generally accurate, the information may be outdated due to the rapidly changing nature of the residential mortgage industry, and MGIC does not warrant the accuracy, reliability or completeness of any information contained in this publication.

The information in this publication is culled from a variety of business and mortgage industry sources. Attribution is given where deemed necessary. Opinions and insights expressed herein do not necessarily represent the views of MGIC.

**mortgage guaranty
insurance corporation**



How does MGIC add value for real estate agents?

Buyer's agents

- Social media
- Value proposition
- Education – agent & buyer
- Consultative approach
- Market intelligence
- Solutions on how compensation can be paid

Listing agents

- Social media
- Education – agent & buyer
- Market intelligence
- Home selling kit
- Solutions on how compensation can be paid

Stay top of mind with real estate agents

mgic.com/mortgage-connects

Mortgage Connects knowledge hub

The easiest, fastest way to find all of the timely information you need to meet today's industry challenges and grow your mortgage lending business. To be among the first to hear about new additions, sign up to receive email alerts.

Subscribe now



**mortgage guaranty
insurance corporation**

MGIC

Education is key

For real estate agents



For borrowers



mortgage guaranty
insurance corporation

Reaching Hispanic buyers & real estate agents

The collage features several MGIC documents in Spanish:

- Recomendaciones para el mantenimiento:** A checklist with categories like 'C- De sus acciones', 'D- De sus acciones', 'E- De sus acciones', and 'F- De sus acciones', with checkboxes for completion.
- cuadro comparativo de la vivienda:** A table comparing three properties (Vivienda 1, Vivienda 2, Vivienda 3) across various metrics like 'DIRECCION', 'PRECIOS CUADROS', 'TAMANOS DE LOTES', 'MAYOR DE CONSTRUCCION', 'VICINARIOS', 'COSTO DEL TERRENO', 'COSTO DE LAS ESCALAS', 'COSTO DE LOS CIMENTOS', 'COSTO DE LOS CIMENTOS DE CONCRETO', 'COSTO DEL TERRENO', 'COSTO DE LA CONSTRUCCION', and 'COSTO DE LOS GASTOS'.
- Serie # 1 de Prepósito Presupuesto:** A brochure explaining how to create a budget and understand the mortgage process.
- Serie # 2 de Prepósito Entender el crédito:** A brochure explaining the mortgage credit process and how to understand the credit report.
- Serie # 3 de Prepósito Cómo entender su informe de crédito:** A brochure explaining how to understand the credit report and its impact on the mortgage process.
- Serie # 4 de Prepósito Opciones de pago inicial:** A brochure explaining the different options for the down payment and how to choose the best one.
- La primicia sobre MI: El seguro hipotecario (MI) le permite hacer un pago inicial inferior al 20% por una casa.** A brochure explaining the Mortgage Insurance (MI) and how it can help with the down payment.

mortgage guaranty insurance corporation

MGIC

NAR settlement

Background

In March of 2024, NAR announced a proposed settlement agreement that would end litigation of claims brought on behalf of home sellers related to broker commission.

Subsequently, other large brokerages have reached similar settlements, such that the industry is largely aligned.

NAR settlement details

- New rule requires MLS participants to enter into a written agreement with buyer's agents identifying the services being provided and the cost
- The changes became effective as of Aug. 17, 2024

Buyer's options for paying the buyer's agent commission

- Seller agrees to pay a portion of or all of it
- Buyer pays it
- Home purchase price increases to include it
- Down payment is reduced – MI solution
- Lender pays it
- DPA funds pay it (check with DPA program)
- Others?

What's the average down payment?

The average first-time homebuyer pays **about 6%** of the home price for their down payment, while repeat buyers put down 17%, according to data from the National Association of REALTORS®.



Source: NAR's 2022 Profile of Home Buyers and Sellers

mortgage guaranty
insurance corporation

The MGIC logo is positioned in the top right corner of the slide. It consists of the letters "MGIC" in a white, bold, sans-serif font. The logo is set against a dark blue background that features a decorative border of colorful geometric shapes, including squares, circles, and triangles in shades of pink, yellow, and blue.

**What if the
borrower is short on
funds but needs to
pay the buyer's
agent?**

Buyers can...

- Re-negotiate with the seller
- Cancel the transaction
- Borrow from friends or family
- **Use mortgage insurance**

These are the typical options for the the real estate agent

Be a difference maker by providing another opportunity



For example:

Meet Maria, purchasing
a \$415,000 home

mortgage guaranty
insurance corporation



How it works...

List price	\$415,000
Accepted offer	\$415,000
Down payment	\$83,000 (20%)
Loan amount	\$332,000
P&I	\$2,044.18 (@ 6.25%)

Total out of pocket* \$101,950

**mortgage guaranty
insurance corporation**

*Closing costs are an estimate and include a 3% buyer's agent fee

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes: 1 borrower with 760 credit score, 40% DTI ratio and 35% housing ratio. MI premium based on rates as of 10/11/24 for Milwaukee, WI. Find your right rate, right now at mgic.com/MiQ.

MGIC

Option 1

To maintain 20% (avoid MI)

Loan amount	\$332,000
Down payment (20%)	\$83,000
Closing costs	\$3,000
Prepays	\$3,500
Buyer's agent fee (3%)	\$12,450
Total cost	\$101,950
Funds needed	\$101,950

Utilize BPMI Monthly MI

Increased loan amount	\$352,750
Down payment (15%)	\$62,250
New monthly payment	\$2,210.15
Closing costs*	\$3,000
Prepays*	\$3,500
Buyer's agent fee (3%)*	\$12,450
Total out of pocket	\$81,200

Payment increases by \$165.97 to reduce out-of-pocket expenses by \$20,750.

*Closing costs are an estimate and include a 3% buyer's agent fee

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes: 1 borrower with 760 credit score, 40% DTI ratio and 35% housing ratio. MI premium based on rates as of 10/11/24 for Milwaukee, WI. Find your right rate, right now at mgic.com/MiQ.

Option 2

To maintain 20% (avoid MI)

Loan amount	\$332,000
Down payment (20%)	\$83,000
Closing costs	\$3,000
Prepays	\$3,500
Buyer's agent fee (3%)	\$12,450
Total cost	\$101,950
Funds needed	\$101,950

Utilize BPMI Single Premium

Increased loan amount	\$352,750
Down payment (15%)	\$62,250
New monthly payment	\$2,171.94
Closing costs*	\$3,000
Prepays*	\$3,500
Buyer's agent fee (3%)*	\$12,450
BPMI – Single Premium*	\$1,199
Total out of pocket	\$82,399

Payment increases by \$127.76 to reduce out-of-pocket expenses by \$19,551.

*Closing costs are an estimate and include a 3% buyer's agent fee

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes: 1 borrower with 760 credit score, 40% DTI ratio and 35% housing ratio. MI premium based on rates as of 10/11/24 for Milwaukee, WI. Find your right rate, right now at mgic.com/MiQ.

Another scenario for MI as a solution

How can MI help with low appraisal values (less than the purchase price)?

- Use a similar approach ... *increase the LTV rather than forcing additional down payment*

Be the HERO

- No worries about a seller not paying the buyer's agent
- Lower out-of-pocket funds for the borrower
- Options for no monthly MI payments

SAVE THE DEAL!!!

mortgage guaranty
insurance corporation



**Prepare your
borrowers
before their
offer**

**mortgage guaranty
insurance corporation**

Use MI as a solution proactively

If you do, there are no surprises.

You've presented options, which makes them less likely to shop around.

They may be willing to increase their offer knowing you've minimized the funds required to close.

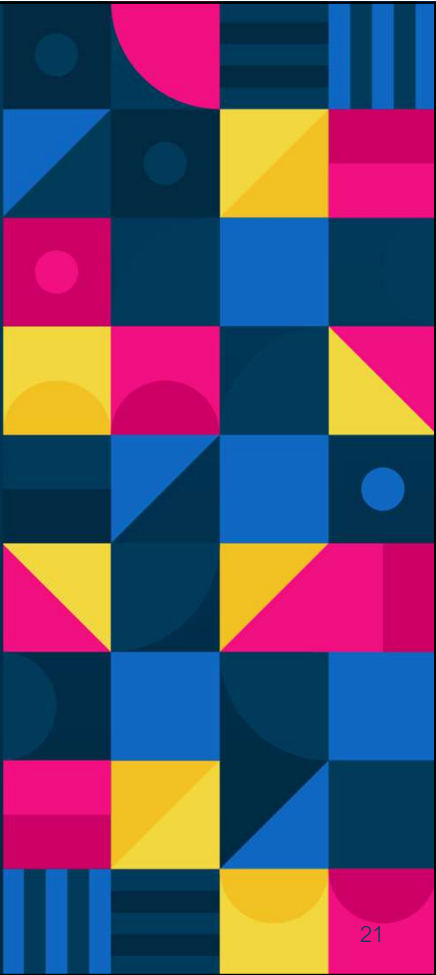
You are rising above your competition – few others are discussing this with their real estate partners.

Questions?



MGIC

mortgage guaranty
insurance corporation



Stay connected

@mgic

Mortgage Connects
mortgageconnects.com

Follow us!



mgic.com/twitter



mgic.com/linkedin



mgic.com/youtube



mgic.com/facebook

Thank you for choosing MGIC.

Please remember to quote and use MGIC for all your MI needs.

MGIC

