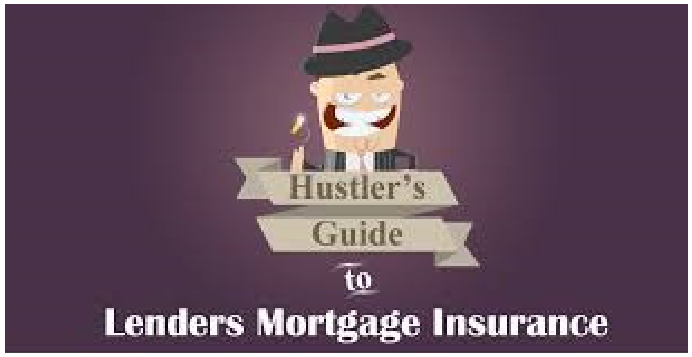
Mortgage Insurance



Private Mortgage Insurance (PMI) For Conventional Loans

Home mortgages that conform to Fannie Mae and Freddie Mac guidelines offer the best terms and lowest interest rates and you can borrower up to 95% of your purchase price if you have an excellent credit score. If you borrow more than 80%, you will need to buy an insurance policy that protects the lender against a default. So, at 81% loan-to-value (LTV) you will have to pay a little more each month for your loan. This Private Mortgage Insurance (PMI) policy usually costs between 0.3% to 1.5% of your initial loan amount per year.

PMI Basics
https://www.bankrate.com/finance/mortgages/the-basics-of-private-mortgage-insurance-pmi.aspx

PMI Rates
https://www.mgic.com/rates

https://www.mgic.com/rates/quick-pick-rates

If you obtain a mortgage at 90% or 95%, for example, you can drop the PMI after your unpaid balance becomes less than 80% of the original appraised value. When that happens, you must contact the PMI provider and request that the mortgage insurance be removed.

Mortgage Insurance (MIP) For FHA Insured Loans

The Federal Housing Authority, commonly known as the FHA which is part of HUD, provides mortgage insurance that serves essentially the same purpose as the PMI for conventional loans. See the information below for underwriting rules and premiums.

https://www.hud.gov/buying/loans

https://thelendersnetwork.com/fha-pmi-mip-chart/

https://www.bankrate.com/finance/mortgages/7-crucial-facts-about-fha-loans-1.aspx