

Monthly MI Premiums and TRID

How is the Monthly MI premium disclosed on the Loan Estimate (LE) and Closing Disclosure (CD)? The Monthly MI premium is disclosed in the Projected Payments table of both the LE and CD. Because, MGIC's borrower-paid monthly premium plan is designed to be paid in arrears, no premium is included in the estimated closing costs or itemized closing costs on the LE or CD. The MI premium is included in the 5-year payment total of the LE Comparisons table (pg. 3) and the Total of Payments (pg. 5) of the CD.

Which tolerance applies? TRID tolerances do not apply to MGIC's monthly MI premiums because the borrower pays no monthly MI premium at consummation. The disclosed premium must be based on the best available information at the time of disclosure.

What if the cost changes? The lender is not required to provide a new LE disclosure when the cost for MI monthly premium changes; however, if the lender issues a revised LE disclosure, it must reflect the updated costs. If the lender does not issue an updated LE then the revised cost would need to be reflected only on the CD.

See reverse for a sample of Monthly MI disclosure.

MGIC Monthly MI Premiums

Sample of Monthly MI disclosure

MGIC's monthly mortgage insurance premiums must be disclosed in the Projected Payments section of the LE and CD.

In this example, the Projected Payments table includes the estimated periodic payments with and without MI:

Years 1-7 column reflects the initial monthly payments of Principal & Interest, Mortgage Insurance and Estimated Escrow. The column label reflects the years during which the payments shown in that column will apply.

Years 8-30 column reflects the monthly payments after the triggering event — automatic cancellation of the mortgage insurance in year 7 under the Homeowners Protection Act. After automatic cancellation, there is no monthly MI premium, which is indicated with a dash (—) and reflected in the lower Estimated Total Monthly Payment amount.

Note: The MI premium is also included in the 5-year payment total of the LE Comparisons table (pg. 3) and the Total of Payments (pg. 5) of the CD.

This information and illustrations provided here are for informational purposes only and do not constitute legal advice. Lenders should refer to the TILA/RESPA regulations and consult with counsel for compliance with all applicable TRID requirements.

Closing Disclosure This form is a Closing Disclosure (pg. 1) is document with your Loan Estimate.

Loan Estimate		Loan Estimate (pg. 1)	
DATE ISSUED	Oct. 5, 2015	LOAN TERM	30 years
APPLICANTS	Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345	PURPOSE	Purchase
PROPERTY	456 Somewhere Avenue Anytown, ST 12345	PRODUCT	Fixed Rate
SALE PRICE	\$222,222.23	LOAN TYPE	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____
		LOAN ID #	123456789
		RATE LOCK	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until Dec. 6, 2015 at 5:00 p.m. EDT
		<small>Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 12/6/2015 at 5:00 p.m. EDT</small>	
Loan Terms		Can this amount increase after closing?	
Loan Amount	\$200,000	NO	
Interest Rate	4.125%	NO	
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$969.30	NO	
Prepayment Penalty		Does the loan have these features?	
NO		NO	
Balloon Payment		NO	
Projected Payments			
Payment Calculation	Years 1-7	Years 8-30	
Principal & Interest	\$969.30	\$969.30	
Mortgage Insurance	+ 65	+ —	
Estimated Escrow <small>Amount can increase over time</small>	+ 267	+ 267	
Estimated Total Monthly Payment	\$1,301	\$1,236	
Estimated Taxes, Insurance & Assessments <small>Amount can increase over time</small>	\$267 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</small>	In escrow? YES YES
Costs at Closing			
Estimated Closing Costs	\$7,996	Includes \$5,619 in Loan Costs + \$2,377 in Other Costs – \$0 in Lender Credits. See page 2 for details.	
Estimated Cash to Close	\$25,218	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.	
LOAN ESTIMATE		PAGE 1 OF 3 • LOAN ID # 123456789	

For additional information go to consumerfinance.gov/regulatory-implementation/tila-respa/ or consult your regulatory counsel.



MGIC has partnered with Mortgage Educators and Compliance (MEC) to provide you with this information. MEC is a leading national education provider of mortgage and real estate professional development and state approved continuing education (CE).
www.mortgageeducators.com / 1-877-403-1428