

Borrower-paid mortgage insurance (BPMI)

Monthly Premiums



Borrower-paid Monthly Premiums are the most widely accepted premium plan in the industry because of their simplicity and ease of use.

Advantages

No money due at closing

No upfront cost

Borrowers avoid the decision whether to pay the premium up front or finance it and add to their debt.

Cancellable

Borrowers can request cancellation based on investor requirements or under the Homeowners Protection Act of 1998 (HPA). Lenders must automatically cancel under HPA terms.

Lower monthly payment upon cancellation

If MI is cancelled, the borrower's monthly mortgage payment is reduced by the monthly premium amount.

Build equity faster

With no premium financed into the loan amount and no increase to their interest rate, borrowers are able to build equity quicker than with other premium plans.

3% points & fees impact

With nothing due up front, there is no impact to points & fees, allowing you maximum flexibility to best serve your borrowers.

Loan Estimate (LE) and Closing Disclosure (CD)

Disclose borrower-paid Monthly Premiums in the Projected Payments table on both the LE and CD. Tolerances do not apply because borrowers pay no monthly premium at consummation.

Consider borrower-paid Monthly Premiums for borrowers who want to:

- Minimize closing costs
- Qualify for MI cancellation sooner by making extra payments that reduce the mortgage balance ahead of the original amortization schedule or home improvements that result in an increase in the appraised value
- Lock in the lowest interest rate now and a lower monthly payment without refinancing
- Refinance, even if their appraised value was lower than expected and their LTV is slightly above 80%

Explore all our premium plans at mgic.com/plans

Get a quick quote at mgic.com/miq or contact us for more information about our MI Solutions at mgic.com/contact

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