



## Show borrowers considering a 20% down payment how they can get more by putting down less

# 15>20

**MGIC SINGLE MI**

**Meet Jay and Asha, GenX move-up buyers who also want to add to their nest egg.** They're relocating to a new city for a career opportunity, and just found the perfect home to purchase. Jay and Asha have enough money from the sale of their current house to put 20% down on the new home, but they're also playing catch-up when it comes to retirement funds. If they can invest \$15,000 in an IRA right now, they'd have 15 years to grow the account before they retire. By putting less money down and using MGIC MI, they'd keep enough money to make that investment right away.

### Help them upgrade their nest and their nest egg

Many borrowers believe 20% down on a home purchase is their only option. Reinforce your role as a trusted advisor by presenting borrowers like Jay and Asha with a slightly different angle: putting 15% down instead.

Our 15>20 concept capitalizes on the GSEs' delivery discount on 85% LTV loans. With MGIC MI, that can be an affordable option for borrowers. They'll hold on to more money for savings, to invest or to make home improvements.

### With MGIC borrower-paid, non-refundable Single Premiums, Jay and Asha hold on to more money to invest in retirement funds

Paying LLPAs and MI at closing	80% LTV	85% LTV
Purchase price	\$300,000	\$300,000
Down payment	\$60,000	\$45,000
<b>Additional money left in savings</b>	<b>n/a</b>	<b>\$15,000</b>
Loan amount	\$240,000	\$255,000
Interest rate	5.0%	5.0%
<b>Monthly principal &amp; interest</b>	<b>\$1,288</b>	<b>\$1,369</b>
Difference in GSE loan-level price adjustment or discount points <sup>1</sup>	0%	-0.25%
MGIC borrower-paid, non-refundable single premium <sup>2</sup>	0%	+0.41%
Net difference in adjustments, including MI <sup>1</sup>	0%	+0.16%
Net difference in adjustments, including MI <sup>1</sup> (in \$)	\$0	\$408

**By putting down 15% instead of 20%:** For an extra \$81 a month and \$408 due at closing, Jay and Asha hold on to \$15,000 that can start earning returns right away.

Example is for illustrative purposes and meant only for mortgage and real estate professionals. Numbers are rounded to the nearest dollar and may vary from actual results. Assumes a 30-year fixed-rate loan on an owner-occupied, primary residence; 2 borrowers with 780 credit score, total DTI ratio of 35% and housing ratio of 25%. <sup>1</sup>For all mortgages except Fannie Mae's HomeReady® and Freddie Mac's Home Possible® loans. <sup>2</sup>MI premium based on rates as of 4/4/22 for Milwaukee, WI. **Find your right rate, right now at [mgic.com/MiQ](https://mgic.com/MiQ).**

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**To learn more about this strategy and other MI Solutions, contact your MGIC representative or go to [rethinkMI.com](https://rethinkMI.com).**