PRIVATE MORTGAGE INSURANCE 101
The Basics on Low Down Payment Mortgage Lending

Since 1957, private mortgage insurance (MI) has helped more than 30 million families become homeowners with less than a 20% down payment—all while protecting U.S. taxpayers. Private MI enables low down payment borrowers to qualify for a conventional loan by insuring the lender against potential losses and reduces government exposure to mortgage credit risk.

1. Do you have a 20% down payment?
   - **YES.** Even if you have a 20% down payment, it may be better to put less money down now and keep some cash in savings to cover emergencies, including home repairs, or save for other goals such as college or home improvements.
   - **NO.** This is OK, you can qualify for a mortgage with a low down payment. With private MI, you can put as little as 3% down (which, for the U.S. median home price of nearly $250,000, is $7,500) to get into your home sooner. You can work with your lender to select the most appropriate private MI product based on your specific homebuying needs and financial profile.

2. Are you mortgage ready?
   - **YES.** Awesome! You have a sound understanding of your own financial well-being, credit profile, and your down payment and financing options. Be prepared to discuss these with your lender and you’ll be on your way to homeownership in no time.
   - **NO.** Don’t worry, advisors and lenders are here to help. It is important that you understand all your home loan options, AND how much you can and want to put toward a down payment and spend on a monthly mortgage payment.

3. Do you have everything you need for your lender?
   - **YES.** Perfect. Welcome home!
   - **NO.** Make sure you have a copy of your employment status, bank records, and all other financial assets, and credit information before going in to speak with your lender.

Learn more at: USMI.org