



What Real Estate Professionals should know about MGIC, private mortgage insurance and the FHA

MGIC

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More homes become more affordable for more buyers with mortgage insurance from MGIC

While the FHA recently took steps to tighten guidelines and increase its annual premiums, MGIC has expanded guidelines and discounted premiums for many borrowers.

Which option is better for your buyers will vary depending on the buyer, but here are some important points about conventional financing with MGIC private mortgage insurance:

Homebuyers in nonrestricted markets can qualify with just 3% down.

What does that mean to you as a Realtor®?
More borrowers may qualify for more properties.

MGIC insures condos with just 5% down.

What does that mean to you as a Realtor?
More borrowers may qualify for more properties.

MGIC's new Credit-Tiered rates provide a lower or comparable monthly payment to FHA pricing.

What does that mean to you as a Realtor?
More borrowers can afford the home you're selling. The homebuyer will also be thankful that you sent them to a lender who used MGIC Credit-Tiered rates to help save them thousands of dollars over the life of the loan. Imagine the positive referrals from this satisfied homebuyer!

More than 50% of consumers are considered high-credit-quality borrowers, those who have a FICO above 700. (The national median FICO is 724.) MGIC's Credit-Tiered rates offer tremendous savings to these high-credit-quality borrowers.

What does that mean to you as a Realtor?
Not only can higher credit-quality borrowers receive lower MI premiums, they may also receive a lower interest rate. This adds up to a lower monthly payment and allows more borrowers to afford a home.

MGIC MI puts homebuyers in a better equity position.

What does that mean to you as a Realtor?
In the future, when your client is ready to sell, they will have more flexibility in setting their asking price, and have more money after the sale to use on their next home.

MGIC MI provides a chance to cancel sooner than FHA.

What does that mean to you as a Realtor?
It creates a built-in reason to reach out to past customers. Offer to do a free assessment to see if they could cancel their MI after a few years. You may learn they would prefer to sell and buy a bigger home.