4 Most Common Types Of MI

Understanding the basics of each can help you and your lender choose the right mortgage insurance (MI) plan for your financial situation.

1 Borrower-Paid **Monthly**

Lets you fold your MI premium into your monthly mortgage payments, starting with your first payment. Consider this option if you want to reduce your closing costs.

2 Borrower-Paid **Single**

Lets you or another party (e.g., seller or builder assist) pay your full MI premium up front at closing or to finance it into your loan. Consider this option if you want to keep your monthly mortgage payment as low as possible.

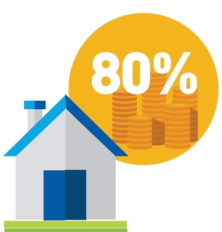
3 Borrower-Paid **Split Premium**

Lets you or another party (e.g., seller or builder assist) pay a portion of your MI premium up front at closing or to finance it into your loan, and fold the remainder into your monthly mortgage. This option can also help you reduce your monthly payment.

4 Lender-Paid **Single**

Lender pays your full MI premium for you. Your lender will factor that cost into the interest rate on your loan or charge you an origination fee to cover the premium. This option can result in a lower monthly mortgage than the borrower-paid options.

CANCELING MI



One of the pros of choosing borrower-paid MI is the ability to cancel. You can ask your loan servicer to cancel your MI when you reach 20% equity in your home (i.e., when the unpaid balance of your mortgage reaches 80% of the original property value). Your loan servicer is required to cancel your MI when your equity reaches 22% (i.e., when the unpaid balance of your mortgage reaches 78% of the original property value).[1] That can save you thousands of dollars over the life of your loan. Lender-paid MI cannot be canceled.

Learn more about the benefits of private MI and explore your financing options at essent.us/homebuyers. Available in English and Spanish.

[1]MI cancellation at 80% loan-to-value (LTV) is subject to lender requirements. Cancellation at 78% LTV is subject to the requirements of the Homeowners Protection Act of 1998. For more information about MI cancellation, visit essent.us/homebuyers.

Mortgage Insurance provided by Essent Guaranty, Inc.

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EGI-6008.165 (02/20)

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