Arch | MI

For Credit Unions

Arch MI Can Increase BUYING POWER

Mortgage Insurance, also called MI, private MI or PMI, is generally required on mortgages with down payments less than 20% of the property value. MI reduces the amount a credit union loses in the event that members do not repay their mortgage.

- Without the protection of MI, credit unions normally require a member to make a down payment of at least 20% of a home's purchase price, which can mean years of saving for some members.
- This large down payment assures the credit union that the member is committed to the investment and will try to meet the obligation of monthly mortgage payments to protect the investment.
- A low down payment also allows members to purchase more home than they might otherwise be able to afford.

If a member's income can support a larger loan amount, a $20,000 down payment with mortgage insurance increases BUYING POWER:

WITHOUT MI	WITH MI	
You could make a **20%** down payment on a **$100,000** home.	You could make a **10%** down payment on a **$200,000** home.	You could make a **5%** down payment on a **$400,000** home.

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