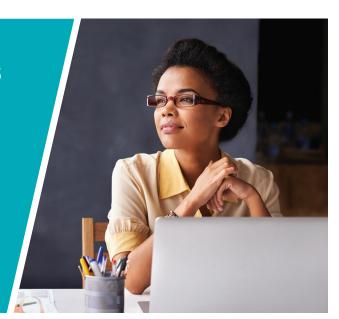


# How Can High-LTV Loans Insured by Arch MI Help Me Compete?

Avoid limiting your value in the marketplace and putting your business at risk.



### Do either of these scenarios fit your situation?

## Do you limit home loans to a maximum LTV of 80%?

First-time homebuyers typically have smaller down payments — so they're looking for a more flexible credit union.

#### **SOLUTION**

Insure these loans
with Arch MI:
Originate more
purchase loans and
increase referrals.

	Monthly MI	No MI	No MI at 90%
Purchase Price <sup>1</sup>	\$300,000	\$300,000	\$300,000
LTV	95%	80%	90%
Loan Amount	\$285,000	\$240,000	\$270,000
1st Loan Balance <sup>2</sup>	\$269,321		
			\$10,318
	\$8,406		
Misc. Expenses <sup>4</sup>	\$2,802	\$2,360	\$2,655

Total Foreclosure Exposure	\$291,421	\$245,407	\$276,083
Standard Coverage %	30%	0%	0%
Maximum Insurance Benefit	\$87,426	\$0	\$0
Property Sales Price at Foreclosure <sup>5</sup>	\$240,000	\$240,000	\$240,000
Arch MI Claim Payment	\$51,421	\$0	\$0
Credit Union Loss	No Loss	-\$5,407	-\$36,083

## Are you originating high LTV portfolio loans >80% without MI?

- Long-term fixed assets on your balance sheets may pose interest rate risk.
- Potential liquidity source untapped.

#### **SOLUTION**

Insure these loans with Arch MI:
Offer lower down payment options with no additional risk exposure.

<sup>&</sup>lt;sup>1</sup> Interest rate 4%.

<sup>&</sup>lt;sup>2</sup> Foreclosure occurs in year three.

<sup>&</sup>lt;sup>3</sup> Attorney Fees – 3% of outstanding loan balances plus past due interest.

<sup>&</sup>lt;sup>4</sup> Misc. Expenses – 1% of outstanding loan balances plus past due interest.

<sup>&</sup>lt;sup>5</sup> 20% loss in valuation.