

The Double Value of LPMI

Close Purchase Business Today,
Gain Refinance Customers
Tomorrow



With Lender-Paid mortgage insurance (LPMI), credit unions directly pay the premium for MI coverage and recover that cost through the mortgage rate — resulting in a slightly higher interest rate for the member.

Use our LPMI Single Premium to win the business of eligible members now — and for future refinances — by marketing a conventional mortgage that doesn't require a 20% down payment or monthly MI premium.

LPMI Works Best for These Homebuyers:

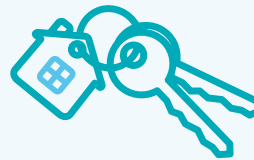
Good credit
(700 FICO® and above).



Low down payments
(> 80% LTV).



Want to buy a home sooner
or qualify for a larger loan
amount.



Are likely to move or
refinance in 5–7 years.



LPMI for Members:

Savings and More Purchasing Power

- No MI premium is due at closing, and no monthly MI premium payments.
- May lower the monthly payment since there is no MI premium payment — and RateStarSM delivers our most competitive rates.
- Makes it possible to qualify for a larger loan without increasing monthly mortgage payments.
- Mortgage interest on an LPMI loan may be tax-deductible for homebuyers who itemize their returns. (They should consult their tax advisor.)

LPMI for Credit Unions:

Profitability, Convenience and Referrals

- Higher profit potential based on a higher mortgage rate used to cover the upfront MI premium.
- Originate larger mortgages with enhanced servicing margins and income.
- Reported only on Closing Disclosure (not required for Loan Estimate).
- Not included in Qualified Mortgage points and fees calculations (because lender-paid costs are reflected in the loan interest rate).

See the back of this flyer for a BPMI/LPMI comparison example.

See the LPMI Savings:

Borrower-Paid MI		Lender-Paid MI	
Loan Amount	\$300,000	Loan Amount	\$300,000
Interest Rate	3.75%	Interest Rate	4.00%
LTV	90%	LTV	90%
FICO	720	FICO	720
Terms (Years)	30	Terms (Years)	30
Monthly BPMI Premium	.30	LPMI Premium	2.19
P&I Payment	\$1,389.35	P&I Payment	\$1,432
Monthly MI Payment	\$75	Monthly MI Payment	\$0
P&I Payment w/MI	\$1,464.35	P&I Payment (no MI)	\$1,432

Loan assumptions: Primary residence SFR, \$300,000 loan amount, 30-year fixed rate, 720 credit score, 90% LTV, .25% mortgage rate increase for LPMI. Mortgage insurance quotes from Arch MI RateStar® as of Jan. 18, 2022.

Contact your **Arch MI Account Manager** today for more information.