

Build Your Appraisal Gap Strategy with Our Monthly BPMI



In the current seller's market, low housing inventory means that purchase prices often exceed appraised values. Most loan originators, Realtors® and borrowers believe that bridging the “appraisal gap” could cost thousands of dollars.

Arch MI's monthly Borrower-Paid Mortgage Insurance (BPMI) can reduce or eliminate the need for extra cash at closing.

Let's Do the Math ...

SUMMARY		\$420K PURCHASE PRICE — 20% DOWN		\$420K PURCHASE PRICE — \$400K VALUE
Purchase Price	NO APPRAISAL GAP	\$420,000	\$20,000 APPRAISAL GAP	\$420,000
Appraised Value		\$420,000		\$400,000
Loan Amount		\$336,000		\$336,000
LTV		80%		84%
Down Payment (\$)		\$84,000		\$84,000
Closing Costs/Pre		\$8,640.50		\$8,640.50
MI		0%		\$25.20/mo.
Cash to Close		\$92,640.50		\$92,640.50
Interest Rate		5.50%		5.50%
Term		360		360
Monthly Payment		\$2,467.77		\$2,492.97



Appraisal Gap Strategies Help Retain More Borrowers and Strengthen Realtor Relationships

Work with the Realtor

- Explain how building proactive appraisal gap strategies helps Realtors in a competitive seller's market.
- Train them on appraisal gap strategies, including the Arch MI BPPI option.
- Coach them how to use partial appraisal contingencies to make more aggressive offers.
- Contact listing agents upon delivery of contracts to strengthen offers and cross-sell.
- Ask for referrals: "Are you working with buyers who do not have a strategy?"

Work with the Borrower

- Bring up the appraisal gap strategy proactively, not reactively.
- Educate them on the appraisal process.
- Explain the utility of partial appraisal contingencies; discourage appraisal value waivers.

Questions? Contact your Arch MI Account Manager at archmi.com/salesmap to discuss setting up your Appraisal Gap Strategy.