

# Product Snapshot

## Private Mortgage Insurance (PMI) Comparison

### Correspondent



Private mortgage insurance (PMI) is required on conventional transactions when the loan-to-value ratio is greater than 80%, in order to provide shared risk of default with lenders. Conventional financing with PMI is a viable alternative to many government insured programs. In all cases, the loan is subject to the requirements of each mortgage insurance company, including credit parameters and geographic restrictions and limitations.

Plaza accepts the following Mortgage Insurance (MI) premium plans on all conforming conventional programs including Conforming Fixed, Conforming ARM, High Balance, Super Conforming, HomeReady, HomeStyle, Home Possible, RefiNow and Refi Possible.

#### Borrower-Paid Monthly Premium (BPMI)

This option usually offers the lowest note rate for an MI product. The MI can be canceled<sup>1</sup>, which is ideal if the borrower is planning to keep the house for more than five years, or pay down the principal balance. The MI may be tax deductible<sup>2</sup>.

#### Borrower-Paid Cash Single Premium (CSPMI)

This option often offers the lowest monthly payment option. The premium is paid at closing. The MI may be financed (subject to restrictions) based on the loan-to-value ratio, or paid in cash by the borrower or seller. The MI can be canceled<sup>1</sup>. This option is good for purchase transactions with seller concessions or extra cash at close. The MI may be tax deductible<sup>2</sup>.

#### Borrower-Paid Financed Single Premium (FSPMI)

The borrower-paid financed single premium is available on most programs with the following restrictions:

- 1-unit property
- Primary Residence or Second Home
- Purchase or Rate/Term
- Not eligible on Freddie Mac Super Conforming

#### Borrower-Paid Split Premium (SPMI)

This option usually offers the lowest monthly MI factor because of an up-front single premium and monthly MI. This may be the best option for loans with a higher loan-to-value ratio. The monthly MI can be canceled<sup>1</sup>. This is a great option for purchase transactions with seller concessions or extra cash at close. The MI may be tax deductible<sup>2</sup>.

<sup>1</sup> Subject to PMI cancellation requirements based on product, property type and occupancy.

<sup>2</sup> Borrowers should consult a tax professional.

MI Coverage – Standard Programs			
LTV Ranges	10, 15 & 20 Year Term <sup>1</sup>	25 & 30 Year Term <sup>1</sup> (includes ARMs)	Manufactured Housing <sup>1</sup>
95.01 – 97%	35%	35%	N/A
90.01 – 95%	25%	30%	30%
85.01 – 90%	12%	25%	25%
80.01 – 85%	6%	12%	12%

MI Coverage – HomeReady and Home Possible			
LTV Ranges	15 Year Term <sup>1</sup>	30 Year Term <sup>1</sup>	Manufactured Housing <sup>1</sup>
95.01 – 97%	25%	25%	N/A
90.01 – 95%	25%	25%	25%
85.01 – 90%	12%	25%	25%
80.01 – 85%	6%	12%	12%

<sup>1</sup> Manufactured Housing: Refer to the manufactured housing column. Coverage requirements do not differ by loan term.

**Note on QM:**

Plaza includes all Cash single premium, Financed single premium and the up-front portion of Split premium plans in the QM Points and Fees Test regardless of ability to refund and regardless of refund schedule.

**Visit Plaza's MI partner websites for rate and program information:**

- Arch: <https://mi.archcapgroup.com/>
- Essent: <https://www.essent.us/>
- Enact: <https://new.mi.genworth.com/>
- MGIC: <https://www.mgic.com/>
- National MI: <http://www.nationalmi.com/>
- Radian: <http://www.radian.biz>

*The information contained in this flyer may not highlight all requirements, refer to Plaza's program guidelines. Plaza's programs neither originate from nor are expressly endorsed by any government agency.*

**[plazahomemortgage.com](http://plazahomemortgage.com)**

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