



## RMIC's ZIP® Monthlies is a Better Choice for Minnesota Housing Borrowers

RMIC is offering expanded underwriting criteria exclusively for HFAs. These special guidelines coupled with FHA's upcoming rate increase make private mortgage insurance from RMIC a better execution than FHA for many borrowers.

RMIC	FHA
Offers a choice of monthly <u>or</u> single premium plans	Requires both upfront <u>and</u> monthly MI premiums
MI premiums are refundable under the Homeowners Protection Act of 1998 and cancellable according to investor policies	Upfront premium is non-refundable unless the borrower refinances into a new FHA-insured loan, and monthly premium is required for at least 5 years
Lower rates for loans with lower LTVs	Same premium rates for all loans ≤ 95% LTV
Minimum 3% down payment	Minimum 3.5% down payment
Maximum loan amount of \$417,000 in all markets	Maximum loan amount of \$271,050 in MN
Local Account Managers offering expertise, support, and ancillary services (i.e., contract underwriting, training, housing & economic resources, and other real estate services).	No representatives, no ancillary services

### RMIC's ZIP® Monthlies vs. FHA's April Rates: Lower Payment and no Upfront Premium!

Assumptions: 96.5% LTV • 18% Coverage • 700+ FICO • 30-Year Fixed • Purchase	RMIC's Monthly MI	FHA		
		Current Rates	April 18 Rates	
Base Loan Amount	\$193,000	\$193,000	\$193,000	
Upfront MI Premium Rate		1.00%	1.00%	
Upfront MI Premium Financed		\$1,930	\$1,930	
Total Loan Amount	\$193,000	\$194,930	\$194,930	← Higher Loan Amount with FHA (if financed)
Interest Rate <sup>1</sup>	4.875%	4.500%	4.500%	
Monthly Payment (P&I)	\$1,021	\$988	\$988	
Monthly MI Premium Rate	0.78%	0.90%	1.15%	← Higher Monthly Rate with FHA
Monthly MI Premium \$	\$125	\$144	\$184	
<b>Borrower Monthly Payment</b>	<b>\$1,147</b>	<b>\$1,131</b>	<b>\$1,171</b>	← Higher Monthly Payment with FHA April Rates
<b>Monthly Payment Difference</b>		<b>(\$15)</b>	<b>\$24</b>	
<b>Upfront MIP + First 4 Years Payments Savings</b>		<b>\$1,011</b>	<b>\$2,878</b>	

<sup>1</sup> Interest Rates as of March 2, 2011

### Additional Benefits

Along with more options and better pricing in many instances, RMIC's MI products allow far more flexible underwriting processes than the FHA, including less documentation and contract underwriting. Our underwriting process is generally less complicated and burdensome than FHA underwriting, with far fewer appraisal and repair issues.

RMIC provides numerous tools in addition to MI products, including Rate Estimator, Electronic Loan Submission (ELS®) and B2B connections to make the loan submission process as easy and fast as possible. And when you work with RMIC, dispute resolution is a question of contract rather than criminal law.

### Want To Know More?

For more information on MI or other products and services from RMIC, contact your RMIC Account Manager or visit [www.rmic.com](http://www.rmic.com).