



## Consider your mortgage insurance options.

Private mortgage insurance (PMI) is required on Minnesota Housing conventional loans, including Fannie Mae HFA Preferred™ and Freddie Mac HFA Advantage™, if your downpayment is less than 20% of the purchase price. The PMI helps protect the lender from losses if you don't repay your loan. Ask your lender about these common options:

- 1. Borrower-paid Mortgage Insurance:** You make monthly mortgage insurance payments as part of your mortgage.
  - Get a slightly lower interest rate
  - May be canceled when the loan principal balance reaches 80% of the original property value
- 2. Upfront Paid Mortgage Insurance:** The lender pays the mortgage insurance premium in a lump sum at closing, eliminating the need for you to make monthly mortgage insurance payments.
  - Mortgage insurance is included in the interest rate, resulting in a slightly higher rate
  - Typically results in lowest monthly mortgage payment
  - No need to cancel mortgage insurance when the loan principal balance reaches 80% of the original property value
  - More restrictive eligibility requirements apply

Contact a participating Minnesota Housing lender to start your path to homeownership.

SAMPLE



651.296.8215  
[www.mnhousing.gov](http://www.mnhousing.gov)

All options based on a 1% origination rate. Interest rates and payment calculations are based on 700 credit score and rates that were available as of 2.26.2020 and are used for illustrative purposes only. In connection with Single Family Division loan programs, Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with these programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.



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