

Use Tax-Deductible MI to Freeze Out the Competition!

Now You Can Offer Members a Cost-Effective Alternative to Piggybacks

If you're worried about Members getting a piggyback loan from the big banks, tax-deductible MI from CMG Mortgage Insurance Company (CMG MI) might be a tastier choice. MI already offers **substantial advantages** over a piggyback loan:

- MI premiums are fixed and unaffected by rising interest rates
- MI is cancelable if member-paid*
- MI payment period is typically shorter than term of 2nd lien
- Helps preserve access to future home equity
- Just one loan to underwrite, process and close means a faster homebuying process

Tax-Deductible MI is the Flavor of the Year

Now that MI is tax-deductible in 2007**, it's even more tempting for Credit Unions and their Members. Turn over this flyer and **check out our comparison chart** to see how tax-deductible MI whips the piggyback in a fair taste test. No fudging here!

So fatten your Member's wallet — while shaking up your competition.

Tax-Deductible MI is a Sweet Deal!

For more information and FAQs, visit our Web site at www.cmgmi.com/sweetdeal.

And Now Get Your Own Sweet Deal!

Drop Your Business Card into Our Online Candy Jar

To celebrate MI tax-deductibility in 2007, we've posted a contest on our Web page at www.cmgmi.com/sweetdeal. Click on the candy jar icon to "drop off your business card" and we'll enter your name into our drawing for a \$5 "Sweet Deal" gift card.

You could be one of **1,100 winners** this year! Plus, you can enter each month, so you have more chances to win. **Drop off your business card today!**

* Subject to federal Homeowner's Protection Act and applicable state law.

** PMI cannot provide tax advice. Taxpayers should consult their own tax advisors concerning applicability of this new deduction to their particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction. This information is not intended or written to be used, and it cannot be used, for the purpose of avoiding U.S. federal, state or local tax penalties.



CMG Mortgage Insurance Company
A Joint Venture between PMI Mortgage Insurance Co. and
CUNA Mutual Investment Corporation



Standard MI Coverage versus Piggyback with Closed-End Second Mortgage

	MI vs Piggyback 80-20 (100% Combined LTV)		MI vs Piggyback 80-15-5 (95% Combined LTV)		MI vs Piggyback 80-10-10 (90% Combined LTV)	
	With MI Coverage	Piggyback with Closed-End 2nd Mortgage	With MI Coverage	Piggyback with Closed-End 2nd Mortgage	With MI Coverage	Piggyback with Closed-End 2nd Mortgage
Purchase Price	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Down Payment	\$0	\$0	\$10,000	\$10,000	\$20,000	\$20,000
Mortgage Insurance Coverage	35%		30%		25%	
1st Mortgage						
1st Mortgage Loan Amount	\$200,000	\$160,000	\$190,000	\$160,000	\$180,000	\$160,000
1st Mortgage Loan Term (Year)	30	30	30	30	30	30
1st Mortgage Interest Rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
1st Mortgage Monthly Payment	\$1,264	\$1,011	\$1,201	\$1,011	\$1,138	\$1,011
2nd Mortgage*						
2nd Mortgage Loan Amount		\$40,000		\$30,000		\$20,000
2nd Mortgage Loan Term (Year)		15		15		15
2nd Mortgage Interest Rate		8.75%		8.75%		8.75%
2nd Mortgage Monthly Payment		\$400		\$300		\$200
Mortgage Insurance						
Premium Rate	0.81%		0.63%		0.39%	
Monthly Payment	\$135		\$100		\$59	
Total Pre-Tax Monthly Payment	\$1,399	\$1,411	\$1,301	\$1,311	\$1,197	\$1,211
Federal Tax Rate	25%	25%	25%	25%	25%	25%
1st Mortgage Interest Deduction	\$269	\$216	\$256	\$216	\$243	\$216
2nd Mortgage Interest Deduction	\$0	\$72	\$0	\$54	\$0	\$36
Mortgage Insurance Deduction	\$34	\$0	\$25	\$0	\$15	\$0
Total Federal Tax Savings	\$303	\$288	\$281	\$270	\$258	\$252
After-Tax Monthly Payment	\$1,096	\$1,123	\$1,020	\$1,041	\$939	\$959

* Second mortgage is often adjustable even if the first mortgage is fixed. If the interest rate rises, the Member's total pre-tax monthly payment will increase.



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