

Buy Your Home Sooner with MI — and Save Money!



Mortgage Insurance Premiums Are Now Tax-Deductible Through 2011!

Private mortgage insurance (MI) has always been an easy and predictable way for informed buyers to finance the purchase of their home. Now, it's also **tax-deductible through 2011**, making it an even better choice in many cases.*

Mortgage insurance in many cases allows Members with a less than 20 percent down payment to purchase a home by providing lender coverage against borrower default.

Savings for Families

For many first-time homebuyers, the biggest hurdle is saving up for the down payment. In today's high-priced real estate markets, 20 percent can amount to a significant chunk of change. But don't give up. With private mortgage insurance, even if you've got a down payment of 3 percent or less, you can still buy a home.

The extension of the MI tax deduction through 2011 gives you one more reason to consider purchasing or refinancing your home with private mortgage insurance. Joe Dillon, Senior Vice President and General Manager of CMG Mortgage Insurance Company (CMG MI), explains, "Low- and moderate-income Americans, primarily first-time homebuyers, will benefit from the extension of the tax deduction. Instead of waiting to accumulate the traditional 20 percent down payment, they can buy a home sooner with MI — and may save hundreds of dollars a year through this tax deduction."

If you or your family earn \$100,000 or less, and purchase a home between 2007-2011 with private mortgage insurance, it's estimated that you may save \$200 to \$400 annually because of the tax deduction.** Consult your own tax advisor concerning the applicability of the new deduction in your particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction.

Families earning up to \$109,000 can take advantage of a partial deduction. Your home will probably be the largest investment of your lifetime and every extra bit of money helps.

Did You Know?

If you're in the market to buy a home, you might welcome the news that private mortgage insurance can mean you can purchase "more house" for less of a down payment, according to Joe Dillon, Senior Vice President and General Manager of CMG MI.

Good Reasons to Choose Private Mortgage Insurance

By making private mortgage insurance tax-deductible, it's possible for more people to become homeowners. "Mortgage insurance has always been a good way for people to buy a home when they have less than 20% of the purchase price for a down payment," explained Marcia G. Dmitruk, senior vice president of HarborOne Credit Union. "With mortgage insurance, homebuyers with limited financial resources can still be competitive in regions with high home prices — and they can cancel it when their equity reaches 20 percent. Now that mortgage insurance premiums are tax-deductible through 2011, it's an even better way to finance a home purchase."

What's Right for You?

Over the years, many Americans have chosen private mortgage insurance because it's simple, safe and smart. **Now it's also tax-deductible through 2011.** As you're weighing your home-financing alternatives, consider private mortgage insurance. It may be an option that's right for you.

* Based on transactions closed in 2007-2011 and Member-paid MI premiums allocable to those years. CMG MI 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.

** SOURCE: *Mortgage Insurance Companies of America*



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