



MI + Higher LTV Loans = More Business!

Use Mortgage Insurance to Serve More Members, Make More Loans

Does your credit union have members who would love to buy a home – but don't have the full 20% down payment?

- If you're a credit union with an 80% LTV loan limit, you could lose these members to the big banks.
- You could be excluding members from traditionally underserved segments – low- and moderate-income, immigrants, ethnic groups, single mothers and others.
- If you're a credit union that uses an 80-10-10 or 80-20 loan program to put these members in homes, you could be exposing yourself – and them – to an unacceptable level of risk.

MI Opens Doors for More Members — but Protects Your Credit Union!

Consider offering higher LTV loan programs secured by mortgage insurance (MI). MI is the **safe, smart and simple alternative** for your credit union — helping you qualify more members for homeownership but reducing your risk exposure on each loan.

- ✓ **MI allows you to make larger loans with confidence.** A 90% or 95% LTV loan amount secured by mortgage insurance puts your credit union in a better risk position than an 80% LTV loan – even with a full 20% cash down payment.

For example, on a property with a 95% LTV loan, CMG MI offers coverage down to 67% (95% LTV times 30% coverage). The same property, with an 80% LTV loan, in the event of foreclosure, only covers the credit union down to 80%. A 95% LTV loan with MI provides more protection to the credit union than an 80% loan with no MI, especially if the property depreciates in value.

Plus, **MI covers many expenses associated with foreclosure!** Please review our Delinquency and Claims manual for more details at www.cmgmi.com/claimsmanual.

- ✓ **MI protects your credit union against unacceptable levels of risk.** Depending on your coverage, any eligible

Did you know ...?

In the event of foreclosure, MI pays more than just a percentage of the unpaid principal balance. Depending on the MI policy, CMG MI may cover:

*Interest — Attorney fees — Property taxes
Hazard insurance — Premiums
Preservation expenses — HOA fees
Statutory/Court Costs — Escrow deficits
Miscellaneous expenses (BPOs, appraisal fees)*

loan could be covered all the way down to 59%, limiting your exposure and keeping your portfolio salable.

- ✓ **MI gives you the tool to qualify more members faster** – no waiting until they have the full 20% down payment in hand! Big banks and mortgage companies won't be luring them away, either.
- ✓ **MI is unaffected by rising interest rates.** Members with adjustable-rate seconds, including HELOCs, interest-only or balloon-payment loans, may face payment shock – but with MI, you can help them into a fixed-rate first with stable payments.
- ✓ **MI premiums are tax-deductible through 2010 for eligible borrowers.*** Your Member can save hundreds of dollars when they use MI to finance their home purchase.

CMG Mortgage Insurance Company (CMG MI) can help you develop a better understanding of MI and its benefits for your credit union. We can also work with you to create risk-sharing programs that can provide coverage to meet specific needs, expand your underwriting flexibility, improve your control over losses and enhance your revenue stream.

For more information, contact your CMG MI Account Executive today at (800) 909-4264.

No One Brings You More.  **CUNA MUTUAL GROUP**

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

* CMG MI cannot provide tax advice. Members should consult their tax advisors concerning the applicability of the deduction to their own financial circumstances.