

A Consumer's Guide to Genworth Mortgage Insurance

Sooner. Safer. Smarter.



BUY A HOME *with less than a* 20% DOWN PAYMENT *with Mortgage Insurance*

You can buy a home years sooner when you don't have to save for a high down payment.

Lenders generally require a down payment of 20% of a home's purchase price to qualify for a mortgage. But with the protection of mortgage insurance (MI), lenders can offer mortgages with low down payments – even with as little as 3% down for qualified borrowers. That's because MI protects lenders and investors if a homebuyer defaults on a mortgage loan.

When borrower defaults happen, mortgage lenders can lose substantial amounts of money. So lenders are more comfortable offering loans with low down payments – as long as the loan includes MI.

HERE'S HOW IT WORKS

If you have a loan with MI, your mortgage payments will include the cost of the mortgage insurance premium. The premium can be paid monthly, annually or up front. The mortgage insurance premium provides the financial protection your lender needs in case of mortgage default.

WHY MORTGAGE INSURANCE IS SMARTER

There are additional benefits to having mortgage insurance, aside from needing less than a 20% cash down payment. Here are just a few reasons why Genworth Mortgage Insurance is the safer, smarter choice for you and your family.

BENEFIT	FEATURE	WHY IT'S SMART
It's AFFORDABLE.	Competitive monthly payments	A single loan with mortgage insurance is often cheaper than taking out two loans, and it's competitive with other alternatives, like FHA loans.
It's FLEXIBLE.	Choose from several premium payment options	Mortgage insurance premiums can be paid monthly along with your mortgage payment, or upfront in a lump sum. Ask your lender about your options.
It's TAX DEDUCTIBLE.	MI premiums are tax deductible ¹	MI premiums are tax deductible for many homeowners through December 31, 2011. With this tax deduction, you may be able to save \$200-\$400 each year.
It ENDS.	May be cancelable when you've built 20% equity and maintained a good payment record ²	According to Mortgage Insurance Companies of America (MICA), 90% of borrowers cancel their mortgage insurance within 60 months, reducing their monthly mortgage payments even more.

¹ Deduction applies for loans closed on or after January 1, 2007. Subject to income limits. Consult your tax advisor for details.

² Ask your lender for requirements.

A loan with mortgage insurance helps you buy a home years sooner - with less than 20% down.

SOONER 

SAFER
Protect your home when times get tough. Mortgage insurance from Genworth offers added benefits to give you peace of mind.



COMPARE MORTGAGE INSURANCE TO YOUR OTHER FINANCING OPTIONS

If you would like to make a down payment that is less than 20% of the price of your home, your lender may suggest a few financing alternatives. Conventional loans with private mortgage insurance and FHA loans both allow for low down payments. Use the chart below to compare your options.

FEATURE	Conventional Loan with Genworth MI	FHA Loan
Low Down Payment	✓	✓
Lowest Monthly Payment	✓	
MI cancellation on appraised value	✓	
Simple Paperwork	✓	
Easiest to qualify with low credit score		✓
Faster to close	✓	
Job Loss Protection: May help with making mortgage payments if you lose your job.	✓	
Homeowner Assistance Program: Help for homeowners with financial difficulties.	✓	✓
Counseling Saver: Discounted MI when you take an approved course.	✓	
Homebuyer Privileges®: Savings on the things you need for your home.	✓	

A smart choice! MI helps you buy a home faster ... and helps you stay there for years to come.



ALL MORTGAGE INSURANCE COMPANIES ARE NOT CREATED EQUAL.

At Genworth, we go above and beyond the expected to provide you with additional coverage and benefits that help you – before you close on your loan and after you move in. Check with your lender to see if these Genworth benefits are available with your mortgage loan:

- **Job Loss Protection** – Provides help with making your mortgage payments if you involuntarily lose your job. Only available from participating lenders when you choose borrower paid MI from Genworth.
- **Homeowner Assistance Program** – Help for homeowners with financial difficulties.
- **Counseling Saver** – Get a .05% discount on your MI premium when you participate in a qualified homeownership counseling course.
- **Homebuyer Privileges®** – Save money with valuable discounts and special offers on home-related products and services to help once you move in.

With Genworth, you get much more than mortgage insurance. You get a partner who will be with you every step of the way.



ANSWERS TO YOUR MI QUESTIONS

How much does mortgage insurance cost?

Mortgage insurance typically costs about 0.7% of the mortgage loan amount per year. This amount varies by lender, loan type and other considerations.

What factors are considered when mortgage insurance providers decide whether or not to insure a loan?

The applicant's credit report, debt burden, income, employment history, and the source of money used for the down payment and closing costs are considered. The appraised value of the home is also considered as well as other factors.

What mortgage loan terms and loan types can be insured with MI?

Fixed-rate loans such as 15- and 30-year mortgages are eligible, as well as some adjustable rate mortgages.

Are there different types of mortgage insurance payment plans?

Yes. Genworth offers Borrower Paid MI and Lender Paid MI plans.

Borrower Paid MI

Monthly Premium MI/Zero Monthly Premium MI

The MI premium is paid every month; the Zero Monthly option does not require an initial payment at closing.

Single Premium MI

A Single Premium is either paid in full at closing or financed into the loan.

Split Premium MI

Split Premium MI offers an affordable and flexible upfront premium to help provide significantly lower monthly MI payments compared to traditional mortgage insurance.

Level Annual Premium MI

Level Annual Premium MI features an annual premium payment. The first year premium may be financed into the loan amount.

Lender Paid MI

With Lender Paid MI, the lender pays the MI premium instead of the borrower. Lender Paid MI can be a great choice for borrowers interested in a lower monthly mortgage payment.

Can I cancel the mortgage insurance on my loan?

Yes. Generally, there are two circumstances under which your mortgage insurance can be cancelled:

- Automatic termination of MI coverage on most loans originated after July 29, 1999 is required when the loan is paid down to 78% LTV (which means you have 22% equity in your home).
- You can also request cancellation if you reach 80% LTV (which means you have 20% equity in your home) and meet the investor's requirements.

Contact your loan servicer for specific requirements that must be met for MI cancellation.

Genworth Mortgage Insurance

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Job Loss Protection is underwritten by a third party, "A" (excellent) rated insurer. Please note that the Job Loss Protection program described herein is subject to conditions, exclusions and restrictions not necessarily included in this Summary. The program is subject to availability at the time of loan closing and may be modified or withdrawn without notice.

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