



Genworth®  
Financial

## TAX DEDUCTIBILITY

### Genworth Mortgage Insurance

## FREQUENTLY ASKED QUESTIONS ABOUT MI TAX DEDUCTIBILITY FEATURE

**Q. What is mortgage insurance tax deductibility?**

A. This refers to the federal legislation that makes mortgage insurance (MI) premiums tax-deductible for eligible homeowners.

**Q. How can a MI tax deduction help homeowners?**

A. With deductible MI premiums, the cost of home-ownership is reduced for borrowers with mortgage insurance, making an insured mortgage even more affordable.

**Q. How much can a homeowner save as a result of the tax deduction?**

A. We estimate that eligible homeowners will save \$200 - \$400 annually.

**Q. What does the extended legislation cover?**

A. Borrowers whose annual adjusted gross income is \$100,000 or less can deduct their mortgage insurance premiums from their 2007 - 2010 federal income tax returns for homes purchased or refinanced during this timeframe. Those borrowers with incomes between \$100,000 and \$109,000 are eligible for a reduced tax break under the law.

**Q. How long will the MI tax deduction be available?**

A. The legislation makes MI premiums tax deductible for eligible taxpayers through 2010.

**Q. Who is responsible for delivering to the borrower a statement of the amount of MI Premium that they paid during the year?**

A. In most cases, the mortgage servicer will be responsible for reporting the total MI Premium paid by the borrower.

**Q. Does this law impact Single Premium Mortgage Insurance?**

A. Single Premium Mortgage Insurance premiums are eligible for deduction under the new law. A portion of the up front premium will be deductible in the first year, and some portion of the premium can be deducted in subsequent years through 2010. Borrowers should seek advice from a tax professional.

**Q. Is Adjusted Gross Income calculated before or after the MI deduction?**

A. Adjusted Gross Income is income before itemized deductions.