

How Can High-LTV Loans Insured by Arch MI Help Me Compete?

Avoid limiting your value in the marketplace and putting your business at risk.



Do either of these scenarios fit your situation?

Do you limit home loans to a maximum LTV of 80%?

First-time homebuyers typically have smaller down payments – so they're looking for a more flexible lender.

SOLUTION

Insure these loans with Arch MI: Originate more purchase loans and increase referrals.

Are you originating high LTV portfolio loans >80% without MI?

- Long-term fixed assets on your balance sheets may pose interest rate risk.
- Potential liquidity source untapped.

SOLUTION

Insure these loans with Arch MI: Offer lower down payment options with no additional risk exposure.

	Monthly MI	No MI	No MI at 90%
Purchase Price¹	\$300,000	\$300,000	\$300,000
LTV	95%	80%	90%
Loan Amount	\$285,000	\$240,000	\$270,000
1st Loan Balance ²	\$269,321	\$226,797	\$255,147
1st Mtg. Past Due Interest	\$10,891	\$9,172	\$10,318
Attorney Fees ³	\$8,406	\$7,079	\$7,964
Misc. Expenses ⁴	\$2,802	\$2,360	\$2,655
Total Foreclosure Exposure	\$291,421	\$245,407	\$276,083
Standard Coverage %	30%	0%	0%
Maximum Insurance Benefit	\$87,426	\$0	\$0
Property Sales Price at Foreclosure ⁵	\$240,000	\$240,000	\$240,000
Arch MI Claim Payment	\$51,421	\$0	\$0
Lender Loss	No Loss	-\$5,407	-\$36,083

¹ Interest rate 4 percent.

² Foreclosure occurs in year three.

³ Attorney Fees – 3 percent of outstanding loan balances plus past due interest.

⁴ Misc. Expenses – 1 percent of outstanding loan balances plus past due interest.

⁵ 20 percent loss in valuation.