



LOAN PROGRAMS – MORTGAGE INSURANCE FREQUENTLY ASKED QUESTIONS

Q: Does my loan have mortgage insurance?

A: Yes, most likely. All loan types have some sort of mortgage insurance included. The only one that won't is a conventional loan that has 20% equity or down payment.

Q: What exactly is mortgage insurance?

A: Mortgage insurance is an insurance policy that benefits the mortgage lender in case of default on the loan by the borrower. The insurance allows the bank to allow a lower down payment on the loans due to the insurance coverage in case the borrower stops paying. The lender won't get all of the loan amount back in a foreclosure but would get a percentage back.

Q: Will mortgage insurance stay on my loan forever?

A: In some loan programs, yes...it will stay on for the life of the loan. In others, it will come off when a specific percentage of equity is reached. Your Loan Officer can provide the details for the loan program you are approved for!

**Have more questions?
Contact us today!**