

Single Financed Premium Mortgage Insurance Options Attract More Borrowers and Increase Profitability

Radian provides innovative products and services to over 3,500 lending partners, including most of the country's largest originators. We offer a full array of mortgage insurance (MI) products, risk- and revenue-sharing ideas, underwriting services, training, technology and special programs to promote affordable lending.

Our sales force has the knowledge and experience to partner with lenders and enhance our clients' sales and processing operations.

For many homebuyers who do not have sufficient funds at closing, an attractive option is to finance the mortgage insurance into the loan amount. A low monthly payment and tax deductibility are just two of the advantages homebuyers gain with Radian's Single Financed Premium option.

By financing the mortgage insurance into the loan amount, there are no monthly mortgage insurance payments or payments due at closing. The Single Financed Premium option is best for borrowers who want to minimize their monthly payment and who plan to put 10% or more down.

Benefits for Lenders

- > Attract more borrowers
- > Close more loans
- > Reduce servicing costs — with only one MI premium payment, no need to remit or reconcile monthly MI premiums
- > Generate larger servicing values due to larger loan amounts

Benefits to Borrowers

- > Borrower may qualify for a larger loan, thanks to the lower payment
- > Refundability — borrowers may receive a refund if a loan is prepaid ahead of term
- > Potential tax advantages
- > One monthly payment
- > Additional peace of mind in knowing that each month's mortgage payment amount is fixed — since there is no home equity loan, there is no monthly payment variation

Compare the Options

Take a look at the example on the back of this page to see how much a borrower can save every month. At our Web site, www.radian.biz, you'll find more tools to compare Single Financed Premium with other payment options.

Single Financed Premium Comparison:

	Single Financed Premium	80-10-10
First Mortgage	\$183,780	\$160,000
Second Mortgage	N/a	\$20,000
Monthly Loan Payments Years 1-5	\$1,102	\$1,084
Monthly Loan Payments Years 6-10	\$1,102	\$1,159*
Equity Build Up During 10 Years	\$30,315	\$26,417
After Tax Cost of House Financing During 10 Years	\$73,197**	\$78,542**

Assumptions: • Purchase Price / Appraised Value: \$200,000 • LTV: 90%

BPMI: • Mortgage Term: 30 years fixed • Note Rate: 6.00%

Piggyback: • First Mortgage Term: 30 years fixed • Note Rate: 6.00% • Second Mortgage: HELOC • Second Mortgage Note Rate: 7.50%

* Assumes 1% increase in interest rate environment

** Assumes 28% tax bracket

Radian provides training aids and sales tools to help you take advantage of this exciting product. To get started, contact your Radian representative, or call Customer Service at 1 877.RADIANI (1 877.723.4261).