

# Mortgage Insurance Financing Matrix

This reference provides a summary of Freddie Mac's mortgage insurance financing options. For complete information, refer to *Single-Family Seller/Servicer Guide* (Guide) [Chapter 4701: Mortgage Insurance and Late Charges](#).

In Guide Bulletin 2022-15 we updated the Guide to provide additional detail related to the types of eligible mortgage insurance premiums. This includes the addition of a **new split-premium option for Borrower-paid financed mortgage insurance, which provides the option for Borrowers to make an initial up-front premium payment at closing and an ongoing monthly premium paid from accumulated escrow deposits.**

Refer to Guide Section: [Section 4701.2](#) for this update. This resource will be updated at a later date.

|                                     | Financed Mortgage Insurance (MI)   | Lender-Paid Mortgage Insurance (MI)   |
|-------------------------------------|--|---|
| What is it?                         | The MI premium is included as part of the principal amount of the Mortgage (financed premium). The premiums for Custom MI may not be financed as part of the principal amount of the Mortgage. | The MI premium is paid by the lender. Payment options include single, annual or monthly premiums. You must obtain Freddie Mac's approval to deliver Mortgages with annual or monthly premium lender-paid mortgage insurance to Freddie Mac. Request this approval by calling your account manager or 1-800-FREDDIE.<br><br>For single-premium lender-paid MI: <ul style="list-style-type: none"> <li>▪ The Mortgage is a Mortgage eligible for purchase under the Purchase Documents,</li> <li>▪ Coverage will be maintained for the life of the Mortgage (see also <a href="#">Chapter 8203</a>)</li> <li>▪ The originating lender of the Seller must maintain evidence that the required mortgage insurance is in full force and effective on the Delivery Date of the Mortgage.</li> </ul> |
| Product Types                       | <ul style="list-style-type: none"> <li>▪ Fixed-rate, fully amortizing Mortgage</li> <li>▪ Adjustable-rate Mortgage</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Fixed-rate, fully amortizing Mortgage</li> <li>▪ Adjustable-rate Mortgage</li> </ul> <p>Custom MI may not be used with lender-paid MI.<br/>Super conforming Mortgages are not eligible.</p>  |
| Loan-to-Value (LTV) and MI Coverage | Standard MI coverage only. Refer to <a href="#">Guide Section 4701.1</a> for coverage levels.  | Standard MI coverage only. Refer to <a href="#">Guide Section 4701.1</a> for coverage levels.   |



|   | Financed Mortgage Insurance (MI)   | Lender-Paid Mortgage Insurance (MI)   |
|---|--|---|
| <b>Property Type and Occupancy</b>                          | 1- to 4-unit, primary residence or second home   | Property and occupancy requirements are subject to the MI coverage options.                   |
| <b>Special LTV Calculations</b>                             | <ul style="list-style-type: none"> <li>▪ <b>Base LTV ratio:</b> LTV ratio calculated using the Mortgage amount without financed MI premium</li> <li>▪ <b>Gross (higher) LTV ratio:</b> LTV ratio calculated using the Mortgage amount that includes financed MI premium</li> </ul> | Not applicable  |
| <b>Special LTV Calculations (continued)</b>                 | <p><b>Note:</b> The original loan amount of the Mortgage plus the amount of any financed mortgage insurance premium may not exceed the maximum original loan limits provided in <a href="#">Guide Section 4203.3</a>.</p>  |   |
| <b>All Eligible Mortgages</b>                               | <ul style="list-style-type: none"> <li>▪ <b>Base LTV ratio</b> must not exceed the maximum LTV ratio permitted for the Mortgage Product or offering</li> <li>▪ <b>Gross LTV ratio</b> must not exceed 95%</li> </ul>   | Standard MI coverage only. Refer to <a href="#">Guide Section 4701.1</a> for coverage levels. |
| <b>Home Possible® &amp; Home One<sup>SM</sup> Mortgages</b> | <ul style="list-style-type: none"> <li>▪ <b>Base LTV ratio</b> must not exceed the maximum LTV ratio permitted for the Mortgage Product or offering</li> <li>▪ <b>Gross LTV</b> must not exceed 97%</li> </ul>   |   |
| <b>Notes</b>  | <ul style="list-style-type: none"> <li>▪ For financed MI premiums, any applicable delivery fees will be assessed based on the unpaid principal balance of the mortgage (that includes the financed MI premium) and the Gross LTV ratio.</li> </ul>                                 |   |

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