

Down Payment AdvantageSM

95% LTV and Less

FEATURES AND BENEFITS



Whether you are a first time homebuyer or you already own your home, making large investment decisions is never easy. When a 20% down payment is difficult to come by, mortgage insurance helps borrowers purchase their homes sooner; and when a down payment is available, mortgage insurance provides increased investment options to help grow personal capital. AIG United Guaranty recognizes the need to provide insurance solutions to meet the changing needs of borrowers. Our focus remains on the homebuyer and finding the right solutions to help them realize their dreams of homeownership. The AIG United Guaranty Down Payment Advantage allows them to do so.

Highlights of the Down Payment Advantage product

AIG's Down Payment Advantage offers flexibility for homebuyers who require more options.

- Lower down payment options for increased affordability.
- Lower premium rate.
- Portability option for their mortgage.
- Opportunities to refinance a mortgage for debt consolidation or investment purposes.
- Reduced monthly mortgage payments through longer amortizations.

Who will benefit most from the Down Payment Advantage product?

Down Payment Advantage benefits a wide range of new and existing homebuyers, including:

1. Borrowers first entering the real estate market.
2. Growing families requiring more living space, who are looking to “move up” from their starter home.
3. Borrowers who have managed to save for a 5% down payment. Also, borrowers who have accumulated equity in their current home (which they wish to sell and use towards the purchase of their next home).
4. Borrowers who have obtained the 5% down payment via a gift from an immediate family member.
5. Renters wishing to purchase.

Innovation
Flexibility
Excellence

AIG United Guaranty Mortgage Insurance Company Canada
1.877.244.8422 | www.aigug.ca

AIG United Guaranty

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All mortgage insurance products in Canada are underwritten by AIG United Guaranty Mortgage Insurance Company Canada.



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A common myth is that obtaining mortgage insurance is more expensive than financing a down payment.

In most cases, this is false. Mortgage rates have historically always been the lowest form of financing. Generally speaking, when mortgage rates increase, so do rates for personal loans, lines of credit and credit cards.

Please refer to the table below for comparisons between financing your mortgage insurance premium with your mortgage versus financing your down payment via a personal loan or line of credit.

Product Comparison Chart	Down Payment Advantage SM	Down payment has been borrowed to avoid mortgage insurance
Purchase Price	\$300,000	\$300,000
Down Payment Amount	\$15,000	\$60,000
Loan Amount	\$285,000	\$240,000
Applicable Mortgage Insurance Premium (%)	2.75%	N/A
Mortgage Insurance Amount	\$7,837.50	N/A
Loan Amount with Financed Premium	\$ 292,837.50	\$ 240,000.00
5 year Interest Rate (%)	5.80%	5.80%
Monthly Mortgage Payment	\$1,838.92	\$1,507.12
Cost of Financing Interest Rate (%) i.e. Line of Credit, Personal Loan	N/A	8%
Monthly Payment Assuming Repayment in 5 years	N/A	\$1,216.58
Total Monthly Payment	\$1,838.92	\$2,723.70

Note: This financial example is provided for informational purposes only. AIG United Guaranty Mortgage Insurance Company Canada cannot guarantee accuracy or completeness, and actual results may be expected to differ. In providing this information, AIG United Guaranty Mortgage Insurance Company Canada is not rendering any legal, accounting, actuarial or other professional services. If expert assistance is required, the services of a competent professional should be sought.

What is the applicable mortgage insurance premium for the Down Payment Advantage?

The current mortgage insurance premium is a competitive 2.75%.*

How do clients find out more about this product and others offered through AIG United Guaranty?

To determine whether your clients qualify for approval, or for general underwriting inquiries, be sure to contact AIG United Guaranty toll free at 1.877.244.8422 to speak with a member of our knowledgeable staff. If you would like to learn more about AIG's diverse product line, please visit us at: www.aigug.ca

*Premium rates are subject to change. Specialty products subject to higher premium rates. Please visit www.aigug.ca or call 1.877.244.8422 toll free, for the most updated information.

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