

Tax Tips

Mortgage Insurance Tax Deduction Extended Through 2010

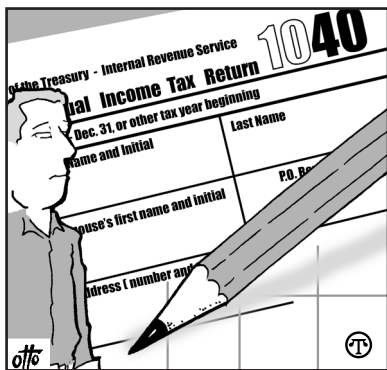
(NAPSA)—In important news for homebuyers, the tax deduction for private mortgage insurance is now good through the 2010 tax year. The extension of the tax deduction makes mortgage insurance a more attractive choice for buyers interested in entering the housing market or refinancing an existing mortgage.

New News About the Mortgage Insurance Tax Deduction

The original deduction approved in 2006 applied only to homes purchased and premiums paid in 2007. The extension passed by Congress extends the deduction to include homes purchased before the end of 2010.

Mortgage insurance premiums are 100 percent tax deductible for families and individuals earning \$100,000 or less when they purchase a home between January 1, 2007 and December 31, 2010. Families earning up to \$109,000 can take advantage of a partial deduction.

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The mortgage insurance tax deduction has the potential to help thousands of low- and moderate-income Americans secure affordable mortgages.

Smith, Chief Executive Officer of The PMI Group, Inc. "Insured loans are much more attractive in today's market because credit is difficult to access."

The Benefits of Mortgage Insurance

The mortgage insurance tax deduction gives buyers an excellent reason to consider purchasing or refinancing their home with private mortgage insurance, but it is not the main benefit of a policy.

"The median home price in the

United States today is over \$200,000, which means borrowers would need to save more than \$40,000 in order to make a traditional down payment of 20 percent," said David Katkov, President and Chief Operating Officer of PMI Mortgage Insurance Co.

"In order to make homeownership safe and sustainable, it is vitally important that people have access to safe, affordable, long-term mortgage financing," said Conrad Egan, president and CEO of the National Housing Conference. "One of the major benefits of mortgage insurance is that it allows borrowers to build equity in a home by securing a predictable, fixed-rate mortgage with a down payment of as little as 3 to 5 percent."

The Mortgage Insurance Companies of America, a national trade group, has estimated that the deduction can save the average family \$200-\$400* annually.

*PMI cannot provide tax advice. You may want to consult with your own tax adviser concerning the applicability of this new deduction in your particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction.