

# 80-10-10 Loans With No MI

An 80 10 10 loan is a mortgage option in which a home buyer receives a first and second mortgage simultaneously, covering 90% of the home's purchase price. The buyer puts just 10% down. This loan type is also known as a piggyback mortgage. It is popular because it helps buyers avoid private mortgage insurance while making a down payment of less than 20%.

Following are a few options for borrowers seeking low-down-payment mortgages without mortgage insurance (MI).

- First of 80% upto Conventional Loan Limits (as high as \$625,500)
- Second (HELOC) of 10% upto \$350,000. Second loan is a HELOC and not directly offered by Shining Star Funding
- Both loans close simultaneously

Breaking up the loan into a 80% first and 10% second gets rid of MI

## **How do Piggyback Loans Eliminate PMI?**

The first and second mortgage combination helps the buyer to avoid private mortgage insurance (PMI) because the lender considers it a 20% down loan. PMI is required for most conventional loans with less than a 20% down.

Therein lies the PMI loophole. Lenders "count" the second mortgage as part of your down payment. So with 10% down cash plus a 10% second mortgage you have your 20% down without covering the whole thing out-of-pocket.

Each home buyer needs to make their own decision which loan type is best based on factors like future financial goals, credit score, and their desired down payment.

For many borrowers a piggyback loan is the right choice. And

with loosening rules around, more home buyers than ever are qualifying.

You could be just moments away from a pre-approval to buy your home.

**TAKE A MINUTE TO FILL OUT THIS  
SHORT APPLICATION NOW!**

*\*No social security number required*

**SCHEDULE A LOAN OFFICER  
PHONE CALL TODAY!**