



# Your Mortgage PLANNER

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with Jamie H. Harrington, President

## **NEW TAX BREAK FOR MORTGAGE BORROWERS**

Home buyers who purchase private mortgage insurance to obtain needed financing are finally getting a break. For loans originated after Jan.1, 2007, premium payment for such insurance will be tax deductible for borrowers who earn less than \$100,000 a year. That tax break will save borrowers from \$300 to \$350.

Private mortgage insurance (PMI) is usually required by lenders for borrowers who contribute less than 20 percent of a home's purchase price as a down payment. The insurance (protecting the lender) is quite expensive, but in some cases it's the only way a home buyer can finance the purchase. However, there is a growing trend to take steps to avoid the cost of this insurance.

The most obvious and practical way is to hold off the purchase of a home until the family saves enough to make a 20 percent down payment. But that is not always possible or advisable, due to personal factors. Other often used methods are to finance the down payment separately with a home-equity loan, or a second "piggyback" mortgage loan.

*If you would like to discuss what type of mortgage loan will work best for you, call Jamie Harrington at 828-632-0650 for an appointment. United Carolina Group, Inc., is located at 340 NC Highway 16 South, Taylorsville NC 28681.*

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