



HFA Advantage® vs. FHA: A Side-by-Side Comparison

Assumptions:

- Purchase price = \$175,000
- 18% MI coverage
- 30-year fixed rate mortgage
- \$400 monthly taxes & insurance
- FICO used for all scenarios: ≥ 720
- 2% annual appreciation, and estimate PMI may be dropped in 5 years

	Scenario 1	Scenario 2	FHA
	<ul style="list-style-type: none"> ✓ 97% LTV ✓ Rate 4.25% ✓ Borrower paid monthly MI 	<ul style="list-style-type: none"> ✓ 97% LTV ✓ Rate 4.25% ✓ HFA paid single MI premium (2.18%) paid at closing 	<ul style="list-style-type: none"> ✓ 96.5% LTV ✓ Rate 3.75% ✓ Upfront and monthly MI
Base Loan Amount	\$169,750	\$169,750	\$168,875
Upfront MI Cost	\$0	\$0	\$2,955 (1.75%)
Total Loan Amount	\$169,750	\$169,750	\$171,830
Down Payment	\$5,250	\$5,250	\$6,125
Monthly MI (\$ & %)	\$92 / .65%	\$0 / 0%	\$119 / .85%
Principal & Interest	\$835	\$835	\$796
Taxes & Insurance	\$400	\$400	\$400
Total Monthly Payment (Year 1)	\$1,327	\$1,235	\$1,315
Monthly Cost or Savings Compared to FHA	(\$12)	\$80	-
MI Cost Over 5 Years (60 payments + any upfront MI)	\$5,520	\$0	\$9,735 (estimated) (upfront MI and monthly)
5-Year Savings Compared to FHA	\$4,215	\$9,735	-
Monthly payments at the end of Year 5 (no PMI)	\$1,235	\$1,235	\$1,303 (est. monthly MI through year 5 = \$107)

The examples utilize premium rates obtained from published Mortgage Insurer rate cards. Premiums may change and users should check with insurers for the latest premium rates.