

.08 MORTGAGE INSURANCE

If private mortgage insurance is required, insurance companies accepted by FHLMC and/or FNMA to insure mortgages in Alaska are acceptable to AHFC.

Private mortgage insurance is not required for:

- Rural Program loans with a LTV of 90% or less
- Type II Manufactured Home program loans

A. Coverage Requirements

Mortgage insurance coverage requirements are as follows:

First Deed of Trust	15-year	30-year
LTVs greater than 80% up to 85%	6%	12%
LTVs greater than 85% up to 90%	12%	25%
LTVs greater than 90% up to 95%	25%	30%

AHFC may request PMI coverage on loans with less than 80% loan-to-value or additional coverage on loans over 80% on a case-by-case basis as deemed necessary.

AHFC will accept single premium mortgage insurance policies and policies that provide for monthly payment of premiums only if FNMA and/or FHLMC have specifically approved the mortgage insurer for this type of policy. The Lender must assume responsibility for paying the monthly premiums when due.

B. Financed Premium

AHFC will purchase conventional loans that include a mortgage insurance premium as part of the loan amount, financed over the term of the mortgage, provided:

1. The loan-to-value ratio including the financed premium may not exceed AHFC's maximum LTV limits.
2. The loan amount including the financed premium may not exceed AHFC's maximum loan amount limits.
3. All loan documents and requirements referring to the LTV ratio must reflect the LTV ratio after the financed premium is added to the loan amount.
4. The amount of MI coverage required remains unchanged.