

# LMI IS NOT A BAD THING, ITS AN OPPORTUNITY COST

## WHAT IS LMI?

LMI (Lenders Mortgage Insurance) is a one-off insurance premium that protects the lender, not you. It lets you buy a home with as little as 5% deposit—no need to wait years to save 20%.

## HOW MUCH DOES IT COST?

- Typically 1%–2% of your loan amount
- Example: Borrow \$700,000 → Pay ~\$28,000 in LMI (this can be added to loan)

$$\begin{array}{ccccc} 5\% & + & \img alt="LMI icon: a shield with a house and a checkmark inside" data-bbox="296 536 360 648"/> & = & \img alt="Home icon: a simple house silhouette" data-bbox="435 546 506 644"/> \\ \text{DEPOSIT} & & \text{LMI} & & \text{HOME} \end{array}$$

## SMART MOVE EXAMPLE

Saving 20% might take years. But if property grows 5% annually, a \$700k home increases by \$35k in a year—more than the LMI cost. LMI can help you buy sooner and build equity faster.

- SOME BORROWERS WHO PAY DOWN THEIR LOAN BELOW 80% LVR QUICKLY MAY BE ELIGIBLE FOR AN LMI REFUND
- LMI ISN'T A PENALTY-IT'S AN OPPORTUNITY COST HELPING YOU BUY SOONER. KNOW YOUR NUMBERS, CHOOSE HOW YOU PAY, AND USE IT STRATEGICALLY.

## WHY IT'S GOOD NEWS:

- Helps you get into the market faster
- Lets you start building equity earlier
- You can add the cost to your loan, or pay it upfront or monthly