

# Appraisal Gap with Mortgage Insurance



## What is an appraisal gap?

An appraisal gap is when the buyer agrees to cover the costs if there is a discrepancy between the offer price and the appraised value of a home. This tells sellers that the buyer is serious about the home and is willing to pay more to make the purchase — no matter the cost.

**Don't let a low appraisal get you down!**

## What if an appraisal is too low?

In the case that an appraisal comes in below the purchase price, the loan-to-value (LTV) ratio will increase and require the borrower to purchase the mortgage insurance.

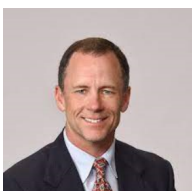
This mortgage insurance premium can then be financed into the mortgage policy and help cover the appraisal gap.

Mortgage insurance premiums may not be the best option for all borrowers. Consult your mortgage consultant to review potential loan scenarios and financing options to determine the home loan that is right for you.

Though the mortgage insurance premium will increase the total loan and monthly payments, through financing, the amount will only increase slightly, while the down payment and cash to close ultimately remain the same.



To learn more about the appraisal gap and how you can finance your payment with mortgage insurance, **contact us today!**



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