



LMI. Made simple.

Watch now!



Understand the cost, who it protects and how it can help home buyers purchase a home sooner.



What is LMI?

Lenders Mortgage Insurance (LMI) insures the lender so they can help a home buyer with otherwise good serviceability purchase a property with a smaller deposit.

LMI protects the lender against potential losses in case a home owner defaults on their loan and the lender is unable to recover the outstanding loan amount from the sale of the property.

LMI helps home buyers to:



Buy a home now and stop paying rent



Buy a property now with the deposit available



Build financial wellbeing and security

This information is general in nature, and is not tailored to any individual's specific circumstances. Home buyers should consider their own circumstances and seek advice from their professional advisers before making any decisions. LMI is insurance that protects credit providers, and cannot be provided directly to home buyers. Helia's activities are limited to credit activities engaged by it as an assignee in relation to LMI products or as a credit provider under the doctrine of subrogation in relation to LMI products. © Helia Insurance Pty Limited.

Two couples, same deposit, same area, different outcome with the power of LMI.

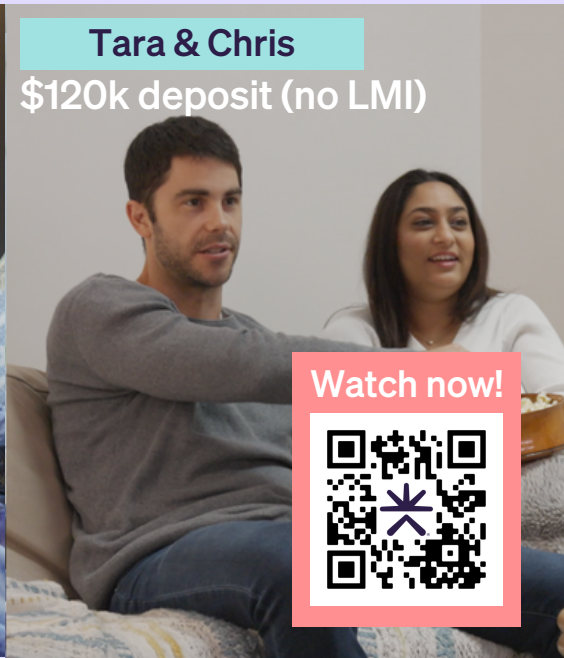


Jess & Anthony

\$120k deposit (with LMI)



Tara & Chris
\$120k deposit (no LMI)



Watch now!



Educate home buyers on the benefits of LMI.

Jess & Anthony

Buy now with LMI - buy a better, larger property

Purchase price	Estimated LMI fee*
\$900,000	\$11,992
Deposit	Loan amount**
\$120,000	\$780,000
% Deposit	Estimated monthly loan payment (6% p.a, 30 years^)
13%	\$4,676

Tara & Chris

Buy now, no LMI - buy a smaller property

Purchase price	Estimated LMI fee*
\$600,000	\$0
Deposit	Loan amount**
\$120,000	\$480,000
% Deposit	Estimated monthly loan payment (6% p.a, 30 years^)
20%	\$3,597

*The LMI fee may vary depending on a range of factors including the loan amount, the loan purpose, borrower type and security type.

**Excludes stamp duty, conveyancing fees and other upfront purchase costs.



^ Variable interest rate, subject to changeover the loan term at the lender's discretion.

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LMI enables.
Making home
ownership possible.



LMI enables. Home ownership possibilities.

	Able to buy now with a smaller deposit	Home buyer's financial circumstances change	Home loan default and the property is sold
Home buyer	 <p>Helps your customers get into a home sooner with a deposit as small as 5% plus upfront purchase costs.</p>	<p>Can request temporary hardship assistance from the lender and remain in their home during this period.</p>	<p>Helia may seek to recover any remaining debt from the home buyer in the case of a shortfall.</p>
Lender	 <p>Provides lender with comfort to lend to a home buyer with good serviceability if they have a small deposit (<20%).</p>	<p>Helia supports lenders with home buyer hardship requests, in most cases this is under a delegation.</p>	<p>The lender receives claim payment from Helia if there is a shortfall on the loan after sale of the property.</p>

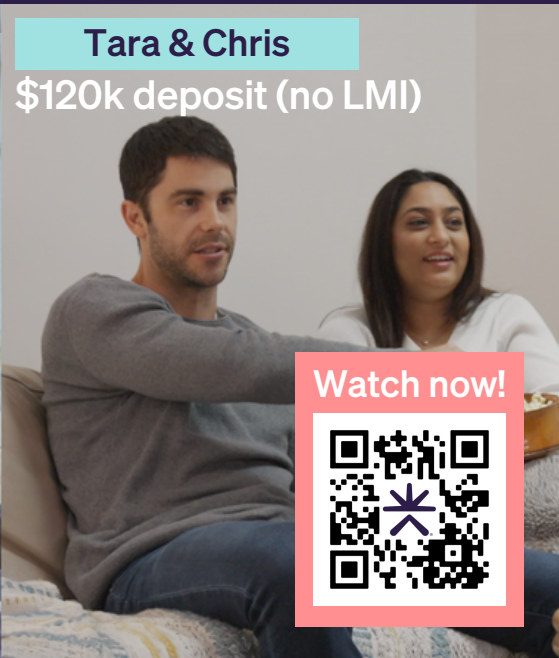
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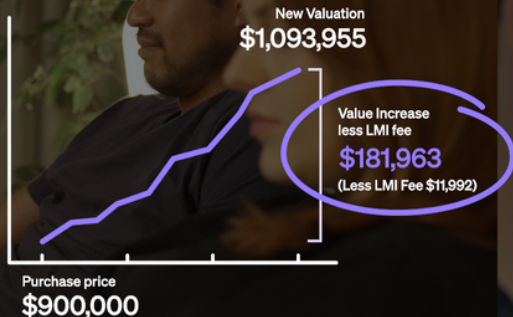
Watch now!



Fast forward 4 years, both homes increase in value. The larger home's increase exceeded the initial LMI fee.

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\$120k deposit (no LMI)



The outcomes assume a rising property market, in a falling market, outcomes may differ. The example does not take into account monthly repayment amounts, fees, charges and additional loan commitments. Lending criteria and conditions apply to approval of credit products. Watch the video for more information.

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Reframing LMI.

Enhancing customer discussions.

Is LMI expensive?



LMI premium depends on the loan amount and LVR, but LMI typically costs between 1-2% of the loan amount.

Can you explain LMI?



A type of insurance paid if the loan amount is more than 80% of the property's value.

LMI protects the lender, not the home buyer. However, it enables a home buyer to buy a home without having to save a 20% deposit.

Is it necessary?



Lender policies state that LMI is required in most cases where LVR (loan to value ratio) is >80%.

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Enhancing your customer discussion.

LMI enables home buyers to buy a home or investment property without a 20% deposit.

Who pays for LMI?



The lender passes on the cost of the premium in the form of an LMI fee.

The fee can be paid upfront, monthly or capitalised into the loan amount.

Selling the benefits



LMI enables a home buyer to:

- Buy a home now
- Save on paying rent
- Start growing equity
- Buy a home without relying on a guarantor.

Home buyer benefits



Typically, lenders require a deposit of 20% to buy a home. LMI helps people enter the property market, by securing a home loan with as little as 5% deposit plus upfront purchase costs*.



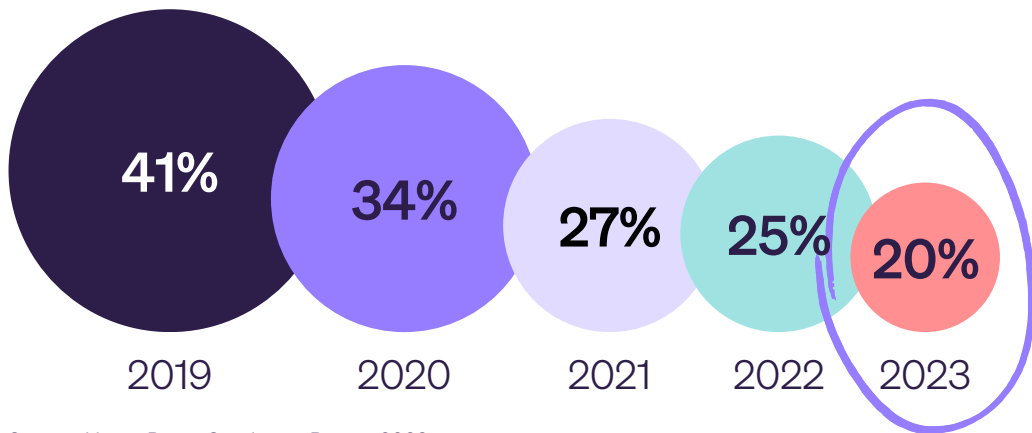
Is the 20% deposit still achievable?

Recent insights.



20% deposit size amongst FHBs. Shrinking year after year.

First home buyers proposing a 20% deposit.



Source: Home Buyer Sentiment Report 2023

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