

Congress Extends Tax Deductibility of Mortgage Insurance

Through December 31, 2020



Congress has extended legislation ensuring the tax deductibility* of mortgage insurance (MI) premiums for many Americans. Borrowers with adjusted gross incomes of less than \$109,000 can deduct the eligible amount of their MI premiums through the legislation's new expiration date of December 31, 2020**. Homeowners should consult their tax advisors to determine if they're eligible to claim the MI deduction.

The Benefits of MI, Why It's Smart

Tax deductibility is just one of the many benefits of mortgage insurance:

It's **Affordable.**

A single loan with mortgage insurance is competitive with, and in most cases, beats alternatives.

It's **Flexible.**

Mortgage Insurance premiums can be paid monthly or upfront.

It **Ends.**

Once the mortgage balance reaches approximately 80% of the home's original value and loan payments are current, MI may be cancellable.

It's **Tax Deductible.***

The cost of homeownership is effectively reduced for eligible homeowners.



YOU-CENTRIC SOLUTIONS THAT MATTER

*Borrowers with annual adjusted gross incomes of \$100,000 or less can deduct their MI premiums from their federal income tax returns for homes purchased or refinanced during the law's timeframe. Borrowers with incomes between \$100,000-\$109,000 are eligible for a reduced tax break under the law.

** The legislation was approved through December 31, 2020 and made retroactive to its last expiration of December 31, 2017. Since it now includes 2018, 2019, and 2020, some homeowners who were unable to claim the deduction in 2018 may wish to consult their tax advisors about filing an amended return for that year.

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