

## Mortgage Insurance Requirement Reduced

*May 4, 2007* -- A federal law that lowers the level at which mortgage insurance is required came into effect last month and bankers say the change could save homebuyers \$2,000 or more.

For the last 40 years, homebuyers have been required to buy mortgage insurance unless their down payment equaled at least 25 per cent of the purchase price.

Now, as a result of Bill C-37, the requirement for mortgage insurance has been reduced. Homebuyers who make a down payment of at least 20 per cent of the purchase price will not be required to buy mortgage insurance.

It is estimated that based on a home price of \$300,000, a buyer with a 20 per cent down payment can save about \$2,500.

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