How are home, mortgage, and life insurance intertwined?

And how do they help me protect my family?

I love getting my clients into their dream homes. Afterward, it's all about protecting your home. Buying a home is the largest purchase most of us will ever make, so it is essential to protect your investment. The best way to do so is through a combination of home, mortgage, and life insurance.

You're probably familiar with home insurance.

Lenders often require home insurance, so I won't focus on it. To quickly summarize, it protects your home and its contents from fire, theft, and natural disasters. It covers damages to the home's structure, your belongings, and liability for accidents that occur on your property.

Mortgage insurance doesn't *really* protect you.

It protects the lender and is generally required if you put less than 20% down on a house. It can help you qualify for a loan, but once you get into your home, it can be a burden. However, you have the right to cancel your mortgage insurance under certain circumstances. If you have private mortgage insurance (PMI), you can cancel once your principal balance falls to 80% of your original home value. Of course, every plan is different, so review your coverage and see if you're eligible to cancel.

Key takeaways

- If you have mortgage insurance and have been paying off your mortgage for a while, you might be eligible to cancel your coverage.
- Life insurance financially protects your loved ones in case of your death.
- When was the last time you reviewed your coverage? You might have necessary updates to make.

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"I'm never too busy for you or your refferals"

The big one: life insurance.

Life insurance provides financial protection for your loved ones in case of your death. Goodness forbid anything happens to you. But if you have a mortgage or other significant debts, life insurance can help your family pay off those debts. Once again, insurance is working to keep your family in your home. Without life insurance, your family might struggle with mortgage payments or other expenses after you're gone.

There are two main types of life insurance.

Term life insurance provides coverage for a specific period of time, such as 10, 20, or 30 years. It's generally more affordable than permanent life insurance. So, it's great for homeowners who want to protect their families while paying off their mortgages.

Permanent life insurance— as the name suggests— provides coverage for your entire life. Assuming you continuously pay the premiums. It's more expensive but can help you leave an inheritance.

Together home and life insurance provide comprehensive protection for your home and your family. Insurance is often seen as troublesome. However, by working these insurances out now, you're securing your loved ones in case of accidents, natural disasters, or even your death.

The first step is reviewing your existing insurance coverage and making any necessary updates. For example, if you've recently renovated your house, you may need to adjust your coverage to better protect it.

The next step is speaking with an insurance agent. While insurance is not my expertise, I am well-versed in the real estate industry and can provide referrals or recommendations. I'm never too busy for you, after all. So reach out if you have any questions. And stay safe!

"I was a first-time home buyer, and Stuart did a fantastic job throughout the process...If Stuart didn't know the answer, he did the research and got back to me within the day. All I heard this year was buying a house was super stressful and nerve-wracking, but Stuart made this as stress-free as possible!"

~ Satisfied client who bought a townhouse in Lorton, VA

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Paying for private mortgage insurance (PMI) is a beneficial product that helps mortgage lenders keep interest rates low when down payments are below 20%. Many home buyers have questions about avoiding PMI. This is further complicated by some mortgage lenders advertising loans without PMI when clients have a down payment less than 20%. This advertising is misleading; you are still paying for the PMI, the lender has just added the cost of the policy into your interest rate! You have several options in how PMI is paid, monthly as part of your mortgage, lump sum paid by the buyer, and lender paid. Give me a call to discuss your options.