



General Mortgage
Capital Corporation

Your loan, My solution!

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Great news! Mortgage insurance premiums remain fully tax deductible.

In a continued effort to help current homeowners as well as encouraging potential homebuyers to buy, Congress had passed the tax bill to allow mortgage insurance premiums to remain fully tax deductible.

Qualified mortgage insurance includes mortgage insurance provided by the Department of Veterans Affairs, the Federal Housing Administration, or the Rural Housing Service, and private mortgage insurance.

Private Mortgage Insurance (PMI) is an insurance required by lenders. It protects the lender against loss if borrowers default; at the same time enable borrowers with less down payment to qualify for loans toward homeownership. Potential homebuyers who have less than 20% down payment or homeowners that have one loan of more than 80% of the home value at the time when they purchased or refinanced (excluding those who refinanced under the Home Affordable Refinance Program) are required to have PMI.

Guidelines to qualify for the mortgage insurance deduction:

- Individuals with less than \$100,000 adjusted gross income (\$50,000 if your filing status is married filing separately) may deduct 100% of their 2011 premiums
- Individuals with adjusted gross income between \$100,000 and \$109,000 may qualify for a partial deduction
- Applies to mortgage insurance policies written after January 1, 2007 for primary residence and second home

You can visit the IRS link to learn more on Mortgage Insurance Premiums

http://www.irs.gov/publications/p17/ch23.html#en_US_2010_publink1000173282.

Sincerely,

Catherine Sun