



PRIVATE MORTGAGE INSURANCE REMOVAL REQUEST FORM

What is this form used for?

It's used to submit a written request to remove Private Mortgage Insurance (PMI) from your mortgage loan.



Mortgage Insurance Premiums (MIP) for Federal Housing Administration (FHA) Insured loans is not PMI and requires different criteria to be eligible for removal. Please contact our office to discuss eligibility criteria if you have an FHA Insured Mortgage Loan.

What requirements must be met for me to initiate cancellation of PMI?

- ✓ You must be current on your mortgage payments.
- ✓ You must have a good payment history. A good payment history means:
 - No payments 30 days past due in the last 12 months, and
 - No payments 60 days past due in the last 24 months.
- ✓ Your current property value must be at least equal to its original value.
- ✓ Your mortgage loan must meet the applicable loan to value ratio (LTV) provided in the PMI Cancellation Matrix on **Page 2**.
- ✓ There must **not** be any subordinate liens attached to your property.

What is needed from me?

It's simple! Follow the three steps below.

Step 1: Read this form in its entirety. Ensure you fully understand the PMI removal requirements listed in the PMI Cancellation Matrix and included within this form. If you have any questions, please contact our Customer Service department using the contact information provided in this form.

Step 2: Complete and Sign below. Your signature indicates that:

- ✓ You fully understand the PMI removal requirements.
- ✓ You consent for Embrace to order an appraisal to confirm the property value.
 - Do not order your own appraisal; the appraisal **must** be ordered by Embrace.
- ✓ You consent to pay a non-refundable property valuation fee (appraisal or appraisal update) regardless of the returned value of the property.
 - The cost of the appraisal is generally \$395, but it may vary depending on market conditions and can cost up to \$600 or more per appraisal.
 - The cost of the appraisal will be billed to you after the appraisal results are received.
- ✓ You confirm that there are no subordinate liens attached to your property.

First and Last Name: _____ Loan Number: _____

Property Address: _____
(City, State, Zip Code)

Signature: _____ Date: _____

Step 3: Send us your form!



Where do I send the form and what should I do if I have questions?

If you have questions or concerns, please call us at 800-224-7106 to speak with one of our friendly customer service representatives. Submit the fully completed legible form to us by:

Email: MortgageInsurance@ServicingHome.com
Fax Toll Free: 877-776-1112
Mail: Embrace Home Loans
 P.O. Box 19409
 Charlotte, NC 28219-9409

When and how will I know if PMI was removed?

We value your time and will diligently review your request. The evaluation process may take up to four weeks to complete. We will notify you by mail once the appraisal is received and the evaluation is completed.

PMI CANCELLATION MATRIX			
Age of Loan	Loan Meets Following Criteria	Loan Type	LTV Requirements
Any point in the life of the loan	LTV based on Original Value	Single-Family Principal Residence or Second Home	80%
		Two to Four Family Principal Residence or One to Four Family Investment Properties	Fannie Mae: 70% Freddie Mac: 65% Other: 70%
Less than 2 years	Substantial improvements made to the property increasing the market value LTV based on Current Value meets the LTV requirements	Single-Family Principal Residence or Second Home	Fannie Mae: 75% Freddie Mac: 80% Other: 75%
		Two to Four Family Principal Residence or One to Four Family Investment Properties	Fannie Mae: 70% Freddie Mac: 65% Other: 70%
2 - 5 years	LTV based on Current Value meets the LTV requirements	Single-Family Principal Residence or Second Home	75%
		Two to Four Family Principal Residence or One to Four Family Investment Properties	Fannie Mae: 70% Freddie Mac: 65% Other: 70%
5+ years	LTV based on Current Value meets the LTV requirements	Single-Family Principal Residence or Second Home	80%
		Two to Four Family Principal Residence or One to Four Family Investment Properties	Fannie Mae: 70% Freddie Mac: 65% Other: 70%
<p>Adjustable Rate Mortgage: The current amortization schedule following the most recent rate change is used for purposes of PMI removal.</p> <p>Balloon/Reset Mortgage: The current amortization schedule following the most recent rate change is used for purposes of PMI removal.</p> <p>Loan Modifications: The amortization schedule of the modified mortgage loan and the property value at the time of the mortgage loan modification, are used for purposes of PMI removal.</p>			



FREQUENTLY ASKED QUESTIONS

What is MIP and PMI? How do I know which one I have?

Mortgage insurance protects lenders and others against financial loss when borrowers default on their mortgage loan. They are the two types of mortgage insurance. MIP applies to Federal Housing Administration (FHA) Insured loans, which is a type of government program. PMI applies to loans that are not insured under a government program.

When can I request PMI be cancelled?

Generally, for loans closed on or after July 29, 1999 as a single-family primary residence, homeowners have the right to request the PMI be cancelled on or after either of these dates: (1) the date the principal balance of the loan is first *scheduled* to reach 80% of the original value of the property based solely on the initial amortization schedule, or (2) the date the principal balance *actually* reaches 80% of the original value of the property based on actual payments made.

When will PMI be automatically terminated?

Generally, for loans closed on or after July 29, 1999 as a single-family primary residence and the loan payments are current, PMI will automatically terminate on the date the principal balance of the loan is first *scheduled* to reach 78% of the original value of the property based solely on the initial amortization schedule. If the loan payments are not current as of that date, PMI will automatically terminate the month after the payments are brought current. In any event, PMI will not be required beyond the date that is the midpoint of the amortization period for the loan if the payments are current as of that date.

What if my loan closed before July 29, 1999, or it is not a single-family primary residence, or is a second home?

The conditions for cancelling mortgage insurance for mortgages closed before July 29, 1999 are not statutory under federal law and may be changed at the lender's discretion. (Unless otherwise restricted by state law).

How do I find the original value of my property or LTV?

The original value is either the purchase sales price or the appraised value of your property at closing, whichever is less. If the loan is a refinance, then the original value is the appraised value used to refinance the loan. To calculate the LTV, divide the unpaid principal balance of the loan by the property's original value.

What is considered a substantial improvement?

A substantial improvement is something that was not previously on the property. It adds living space or raises the property's value. Examples of substantial improvements include: adding a deck, garage, pool, or sprinklers, finishing a basement, remodeling living space, etc. Cosmetic improvements are not considered substantial improvements. Examples of cosmetic improvements include: flooring, siding, roofing, carpeting, windows, paint, light fixtures, landscaping, appliances, furnace/air conditioning unit, etc.

Why can't I use an appraisal that was previously performed?

There are different types of appraisals. Appraisals used for PMI removal are more detailed and specifically account for any substantial improvements made by the homeowner. The appraisal must be ordered by Embrace, and Embrace cannot reimburse homeowners if they order their own appraisal.

What if I don't agree with the appraisal?

You can dispute the appraisal if you don't agree with it. Any valuation disputes are subject to additional processing fees up to \$125 which will be billed to your account upon completion of the dispute review process. Please contact us using the contact information above for details on how to file a dispute.