

BORROWER:

PROPERTY ADDRESS:

LOAN NUMBER:

**PRIVATE MORTGAGE INSURANCE TERMINATION DISCLOSURE
(FIXED RATE LOAN, NOT HIGH RISK)**

We (lender) require that you (borrower) maintain private mortgage insurance (“PMI”) in connection with your mortgage loan. PMI protects lenders and others against financial loss if borrowers default. Federal law provides that, under certain circumstances, you may have the right to cancel PMI. Federal law also establishes when PMI must be terminated. This Disclosure describes those cancellation and termination rights.

Please note that PMI is not the same as property/casualty insurance, which may protect you against damage to your property; and cancellation or termination of PMI does not affect any obligations you have to maintain other types of insurance.

1. INITIAL AMORTIZATION SCHEDULE

We have provided you with an initial amortization schedule.

2. BORROWER CANCELLATION

You have the right to request cancellation of PMI at any time on or after:

- (1) The date on which the principal balance of the loan, based solely on the initial amortization schedule, is first scheduled to reach 80% of the original value (lesser of sales price or appraised value) of the property securing the loan.

or

- (2) The date on which the principal balance of the loan, based solely on actual payments made, reaches 80% of the original value (lesser of the sales price or appraised value) of the property securing the loan.

PMI shall then be cancelled if you meet all of the following requirements:

- (1) You must submit your cancellation request in writing to the servicer of your loan.
- (2) You must have a good payment history on your loan. “Good Payment History” means that you have not made a mortgage payment that was 60 days or longer past due during the 24 months preceding the cancellation date and that you have not made a mortgage payment that was 30 days or longer past due during the 12 months preceding the cancellation date.
- (3) You must have satisfied the note holder’s request for:
 - a) Evidence that the value of the property securing the not has not declined below its original value; and
 - b) Certification that you do not have a subordinate lien on the equity in the property.

3. AUTOMATIC TERMINATION

If you are current on your mortgage loan payments, PMI will automatically terminate when the principal balance of your loan is scheduled to reach, based solely on the initial amortization schedule, 78% of the original value (lesser of sales price or appraised value) of the property.

4. EXEMPTIONS

There are certain exemptions to the right to cancellation and automatic termination of PMI. These exemptions relate to certain mortgage loans with higher risks associated with the extension of credit. These exemptions do not apply to your loan transaction.

I/We have received a copy of this Private Mortgage Insurance Termination Disclosure.

BORROWER

DATE

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DATE