

GETTING RID OF

PRIVATE MORTGAGE INSURANCE

Borrowers are typically required to pay for private mortgage insurance (PMI) if they buy a home with less than 20% down, or if they refinance with less than 20% equity. PMI is an extra monthly cost that can add up over the years. **THE GOOD NEWS IS THAT PMI CAN BE REMOVED IN MANY CASES!**

PMI ON CONVENTIONAL LOANS

AUTOMATIC TERMINATION WITH 78% LTV*

- PMI automatically cancelled on conventional loans with 78% LTV
- All payments must be current – If payments aren't current, PMI remains until they're up-to-date
- No charge for processing an automatic PMI termination

CANCELLING PMI SOONER

Under certain conditions, borrowers may remove PMI before reaching 78% LTV.

- Borrower with 80% LTV can ask their lender to cancel PMI**
- Borrower can ask their lender to cancel PMI if their property value has increased – Requires a new appraisal, plus additional conditions apply***

PMI ON FHA LOANS

Cancelling mortgage insurance premiums (MIP) on FHA loans is based on many factors, including the loan term, LTV, and when the loan was opened.

FHA LOANS OPENED BEFORE JUNE 3, 2013:

MIP CAN BE CANCELLED WHEN LTV REACHES 78%

- For borrowers with loan terms longer than 15 years: MIP must also be paid for at least 5 years
- For borrowers with loan terms of 15 years or less: 5-year MIP requirement is waived

FHA LOANS OPENED ON OR AFTER JUNE 3, 2013:

MIP ISN'T ELIGIBLE FOR CANCELLATION

- Borrowers will have to pay MIP for the maximum duration outlined by FHA, between 11 years or until the end of the loan term (up to 30 years)
- Borrowers could refinance to a conventional loan to remove MIP

CORNERSTONE HOME LENDING IS HERE FOR YOU

Our team works closely with borrowers to make cancelling PMI as simple as possible. Talk to us today to learn more!



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*LTV = Loan-to-value. **Cornerstone Home Lending requires a written request to cancel PMI based on the original value of the property. Borrower must have no 30-day late payments in the last 12 months, and no 60-day late payments in the last 24 months, plus meet requirements as set by Cornerstone Home Lending. ***Cornerstone Home Lending has different requirements to cancel PMI due to an increase in property value based on the number of years the borrower has owned the property, the type of property, the current LTV, and other criteria. Borrower must also have no 30-day late payments in the last 12 months and no 60-day late payments in the past 24 months. Not a commitment to lend. Borrower must meet qualification criteria. Equal Housing Opportunity.