

PRIVATE MORTGAGE INSURANCE DISCLOSURE (Fixed Rate Mortgages)

DATE:

BORROWER(S) NAME AND PROPERTY ADDRESS	LENDER NAME AND ADDRESS
LOAN NUMBER	PMI CERTIFICATE NUMBER

You are obtaining a mortgage loan that requires private mortgage insurance ("PMI"). PMI protects lenders and others against financial loss when borrowers default. Charges for the insurance are added to your loan payment.

Under certain circumstances, federal law gives you the right to cancel PMI or requires that PMI automatically terminate. This disclosure describes when cancellation and termination may occur. Please note that PMI is not the same as property/casualty insurance – such as homeowner's or flood insurance – which protects you against damage to the property. Cancellation or termination of PMI does not affect any obligation you may have to maintain the other types of insurance.

In this disclosure, "loan" means the mortgage loan you are obtaining; "you" means the original borrower (or his or her successors or assigns); and "property" means the property securing the mortgage loan.

INITIAL AMORTIZATION SCHEDULE

An amortization schedule shows the principal and interest due on your loan, along with the balance remaining after each scheduled payment, is attached for your reference.

BORROWER REQUESTED CANCELLATION OF PMI

You have the right to request that PMI be cancelled on or after the following dates:

- 1) The date the principal balance of your loan is first scheduled to reach 80% of the original value of the property. This date is _____ (if your loan has a balloon feature with a fixed interest rate and no conditional right to refinance, this date will not be reached before your loan matures).
- 2) The date the principal balance actually reaches 80% of the original value of the property.

"Original value" means the lesser of the contract sales price of the property or the appraised value of the property at the time the loan was closed. If this loan refinances an existing loan secured by the property, "original value" means the appraised value relied on by the lender to approve this loan.

PMI will only be cancelled if all the following conditions are satisfied:

- 1) you submit a written request for cancellation to the servicer of your loan.
- 2) you have a good payment history.
- 3) you are current on the payments required by your loan; and
- 4) the servicer receives, if requested and at your expense, A) evidence satisfactory to the holder of your loan that at the time of your written cancellation request that the value of the property has not declined below its original value, and B) certification that there are no subordinate liens on the property.

The "servicer" is the person responsible for receiving your loan payments. A "good payment history" means no payments 60 or more days past due within two years and no payments 30 or more days past due within one year of the later of (a) the cancellation date, or (b) the date you submit a request for cancellation. The servicer will notify you promptly after receiving your written cancellation request of the type of evidence you must provide to satisfy the conditions set forth above.

AUTOMATIC TERMINATION OF PMI

If you are current on your loan payments, PMI will automatically terminate on the date the principal balance of your loan is first scheduled to reach 78% of the original value of the property, based solely on the initial amortization schedule for your loan and irrespective of the outstanding balance of your loan on that date. This is called the "termination date." The termination date is . (If your loan has a balloon feature with fixed interest rate and no conditional right to refinance, this date will not be reached before your loan matures.) If you are not current on your loan payments as of the termination date, PMI will automatically terminate on the first day of the month immediately following the date you thereafter become current on your payments.

EXCEPTIONS TO CANCELLATION AND AUTOMATIC TERMINATION

The cancellation and automatic termination requires described above do not apply to certain loans that may present a higher risk of default. Your loan, however, does not fall into this category. Accordingly, the cancellation and automatic termination provisions described above apply to your loan.

By signing below, I/we hereby acknowledge receipt of this Private Mortgage Insurance Disclosure.

BORROWER

DATE

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