How To: Remove Monthly Mortgage Insurance (Conventional)

After a borrower has paid at least 20% of their home loan balance, they are eligible to request the servicer to have the Mortgage Insurance (MI) removed from their monthly loan payments. The borrower must have a good payment history on their mortgage loan, payments must be current, and there can be no second mortgages against the home. Please see the tables below as a guideline for removing Mortgage Insurance.

Please note - there are differences between your current home value and the original purchase price value time lines.

	Borrower Initiated MI Cancellation (Based on Original Value)	Automatic (Servicer Initiated) MI Cancellation (Based on Original Value)
1 Unit Principal Residence / Second Home	Borrower can request cancellation when the loan balance is 80% of **original** property value.	The applicable termination date is the earlier of: • The date the principal balance of the mortgage loan is first scheduled to reach 78% of the original value of the property, or • The first day of the month following the date the mid-point of the mortgage loan amortization period is reached, if the scheduled LTV ratio for the mortgage loan does not reach 78% before the mid-point.
2 - 4 Unit Principal Residence / 1 - 4 Unit Investment Property	Borrower can request cancellation when the loan balance is between 65% - 70% of original property value.	Automatic (servicer initiated) termination is allowed the month following the mid-point of the amortization period.

	Borrower Initiated MI Cancellation (Based on Current Value)
1 Unit Principal Residence / Second Home	Borrower can request cancellation when the Loan To Value is: • 75% or less, if the mortgage loan has been held by the borrowers between two and five years. • 80% or less, if the mortgage loan has been held by the borrowers greater than five years. • 80% or less, if the mortgage loan has been held by the borrowers less than two years, and property improvements made by borrower increased the property value.
2 - 4 Unit Principal Residence / 1 - 4 Unit Investment Property	Borrower can request cancellation when the loan balance is between 65% - 70% of original property value (dependent upon number of units on property.)

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