PRIVATE MORTGAGE INSURANCE DISCLOSURE

As a condition to making your mortgage loan, the Lender is requiring you to obtain Private Mortgage Insurance (PMI) PMI insures the Lender for losses incurred should you default under your mortgage: particularly, PMI insures the Lender for that percentage of your mortgage loan that is in excess of 70% for Non-Owner Occupied, 75% for cash out refinances, and 80% for all other programs, of the value of the mortgage property. Please note on the 80/10/10-loan program PMI coverage cannot be cancelled for five (5) years, and on Investment Property Loans with PMI coverage, for seven (7) years.

PMI may be obtained from any PMI company on the Lenders List below. The Lender will choose a PMI company for you from this list. The name of the provider will be reflected on your HUD 1 closing statements.

Approved Listing:	Commonwealth Mortgage Assurance Co.	Triad Mortgage Insurance
	Mortgage Guaranty Insurance Co.	General Electric
	Republic Mortgage Insurance Co.	United Guaranty
	PMI Company	

In addition, most PMI insurance companies offer various payment plans for PMI insurance. The most common are as follows:

(a) Level Renewal Plan: Under a Level Renewal Plan, the Borrowers pays an initial charge and, in addition, pays level monthly payments for a specified number of payments.

(b) Amortized Balance Plan: Under an Amortized Balance Plan, the Borrower pays a higher initial fee than under a Level renewal Plan, and then pays monthly payments that are based on the principal balance of the loan as the principal balance declines.

(c) No Up Front Cost Plan: The Borrower pays nothing up front and then pays level monthly payments at a higher rate than under (a) or (b), above.

The Lender has no particular preference for one over the other. The choice is up to the Borrower. If the Borrower has no preference, the Lender will usually choose a No Up Front Cost Plan. Your Good Faith Estimate should reflect the estimated cost of the PMI. The actual cost of your PMI will be reflected in your HUD 1 closing statement.

The Lender intends to sell your loan to an Investor who will most likely sell it into the secondary market. Each has requirements as to when PMI is required and when it may be terminated these requirements and termination conditions may change from time to time. Below are the various requirements that may apply depending on the final Investor of your loan. You may contact your mortgage servicer to obtain information of the Investor and which requirements apply.

At such time as you meet the current requirements for termination of PMI, you may request the servicer of your mortgage to terminate your PMI account. Any refunds due you, or adjustments to your escrow account because of the termination of the escrow account, will be handled according to the requirements.

1. Mortgage Insurance may be canceled upon your written request when your loan-to-value ratio (LTV) is no higher than one of the following ratios: your account is current, and you have made at least 24 monthly payments. No more than one payment may have been received 16-29 days late in the 12 month period preceding your request, and no more than one payment may have been received 30-59 days late in the 12 month period preceding the above period.

LTV for Owner-occupied property or second home:	80%
LTV for Investment Property:	65%

   The LTV is the ratio of your loan balance to the value of your property. The calculation of your LTV may be based on the original appraised value of your property, in which case you will be required to provide proof that the value of your property has not decreased. The calculation of your calculation of your LTV may also be based on the current appraisal at your expense.

2. Mortgage Insurance may be canceled upon your written request when your loan-to-value ratio (LTV) falls to a point where mortgage insurance would not have been required at closing your account is current and you have made at least 12 monthly payments. No payments in the 12-month period preceding your request may have been received 30 days or more late. If your mortgage is subject to subordinate financing, mortgage insurance cannot be canceled for a minimum of seven years.

   The LTV ratio of your loan balance to the value of your property. The calculation of your LTV may be based on the original appraised value of your property, in which case you will be required to provide proof that the value of your property has not decreased. The calculation of your LTV may also be based on the current appraised value of your property, in which case you will be required to provide a current appraisal at your expense.

3. Mortgage Insurance may be canceled upon your written request as long as no payments received in the 12-month period preceding your request may have been 16 or more days late. If the Mortgagor so requests, mortgage insurance must be canceled if all of the following conditions are met:

   (a) The unpaid principal balance of the loan has been reduced so that the loan meets the LTV required under the program guidelines section of the Seller Guide at the time the loan was purchased where value is defined as the lesser of the original purchase price or current appraised value. If there are indications that the value of the subject property has declined since the original appraisal, then value is to be determined by an approved appraiser within sixty (60) days of the request for cancellation of insurance.

   (b) There was no delinquency or any other default under the terms of the loan at anytime during the twelve (12) month immediately preceding the date insurance cancellation is requested.

   Lender Name: ______________________________

I/We the undersigned Borrower(s), have read this disclosure and understand its terms and conditions. We have been given a copy of this disclosure, which contains copies of the new current guidelines for termination of PMI insurance.

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Borrower Date

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Borrower Date