



**PRIVATE MORTGAGE INSURANCE DISCLOSURE INFORMAITON**

Loan #:

Borrower(s):

Property Address:

If your loan originated on or after July 29, 1999, it is required that GOLF SAVINGS BANK disclose that since you have private mortgage insurance that you have the right to request to cancel it at a certain point.

Your servicing lender must send you an annual reminder that you have private mortgage insurance and have the right to request cancellation once you have met cancellation requirements. This disclosure requirement applies to all loans with private mortgage insurance that can be canceled; not just those obtained after July 29, 1999.

For most loans originated on or after July 29, 1999, your lender must cancel private mortgage insurance written request when your mortgage balance is 80 percent of the original value of the house. You must be up to date on mortgage payments and have no other loans on the house. Your lender must be satisfied that the property value has not declined.

For most insured loans originated on or after July 29, 1999, private mortgage insurance will be canceled automatically when the mortgage balance is 78 percent of the original value of the house. You must be up to date on mortgage payments. Otherwise, mortgage insurance will be canceled automatically once you become current.

There may be exceptions such as lender funded mortgage insurance may not be canceled and in order to remove it you may need to refinance your property into a new loan with LTV of 80 percent or lower. For mortgages defined at high risk, the lender will automatically cancel the private mortgage insurance at the mid-point of the loan. On a 30-year mortgage, for example, insurance will be canceled after 15 years. Ask your lender whether your mortgage falls into the high-risk category.

The law does not apply to the government mortgage insurance program administered by the Federal Housing Administration. For most borrowers, FHA insurance cannot be canceled and must be paid for the lift of the loan. The law also does not cover piggyback or 80-10-10 loans, which includes a second mortgage to cover part of the down payment instead of mortgage insurance. Payments on the second loan cannot be canceled and must be paid in full.

This is not legal advice or legal opinion and is a brief outline of the mortgage insurance cancellation law. Contact your servicing lender for specific information about how the law applies to your mortgage.

Signed:

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Date:

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