

PMI POLICIES AND PROCEDURES

Conventional, Homestart (250&252), and Hafer Homebuyer (253) loans prior to July 29, 1999—

If a borrower requests to remove the PMI and their LTV is at or below 80%, (current balance ÷ the lesser of the original purchase price or market value) we may cancel the PMI as long as they have a “good payment history” with no late fees and the property is owner occupied. A “good payment history” means no payments 30 or more days past due within one year of the cancellation date. If a borrower had made a delinquent payment, they will need to make 12 more good payments from the last infraction before being able to cancel the PMI.

If a borrower requests the insurance to be cancelled but the LTV is not at 80%, they have 3 choices; they can:

1. Have a FULL URAR Fannie Mae Appraisal (Form #1004 or #1073) prepared by a state certified appraiser;
2. Pay against the principal the amount needed to bring the LTV to 80% or less; or
3. Refinance their mortgage with another mortgage lending institution.

Loans that have reached mid point (15 years), will have the PMI automatically canceled by PHFA as long as the loan is current and the property is owner occupied. If there are any outstanding fees on the loan, then the borrower will continue to carry the PMI until the account becomes current. (If the loan has any 30-day delinquent payments in the previous year, **we will still cancel the insurance**).

Conventional, Homestart (250&252), and Hafer Homebuyer (253) loans closed on or after July 29, 1999

PMI must automatically be canceled by the Agency once the LTV reaches 78.0% as long as the property is owner occupied and there are no outstanding fees due. If a borrower has delinquencies on the account at the time they reach the 78.0% LTV, the PMI will not be canceled. The PMI will cancel once the delinquent charges are paid.

A borrower may submit a written request for cancellation of the PMI once their LTV reaches 80.0%. The Agency will review the account for a “good payment history” with no late fees and the property is owner occupied. If the loan had not been established for at least 1 full year, the payment history will be reviewed up to the date the payment is due for.

After 2 full years from the date of origination, a homeowner may submit a new appraisal to the Agency for review. (Full Fannie Mae Appraisal, Form #1004 or #1073,).

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FHA Mortgage Insurance Premium (MIP) loans closed after January 1, 2001 and condo/203K loans closed after December 28, 2005 can request removal by contacting the Agency by telephone at 800.346.3597.