



PRIVATE MORTGAGE INSURANCE REMOVAL REQUEST FORM

How is this form used?

It's used to request removal of Private Mortgage Insurance (PMI) from your mortgage loan.

Note: FHA loans have different removal criteria. Please contact us directly for information at 877.313.9677.

- **A new valuation, which can cost up to \$600 or more, is required* to confirm the value of the property.** This can be true even when removing PMI based on the original value of the property.

What requirements must be met to initiate cancellation of PMI?

- The loan must be current on mortgage payments.
- The loan must have a good payment history. A good payment history means:
 - No payments 30 days or more past due in the last 12 months, and
 - No payments 60 days or more past due in the last 24 months.
- The current property value must be at least equal to its original value
- The loan must meet the applicable loan to value ratio (LTV) provided in the PMI Cancellation Matrix on Page 2.
- There must not be any subordinate lien(s) attached to the property.
- For properties located in Minnesota, the property must be owner occupied.
- If substantial improvements have been made to the property since the loan closed, then evidence of these improvements is required. This includes a list of improvements, contracts, and receipts (see the FAQ's on page 3 for more information).

How do I start the process? It's simple! Follow the three steps below.

STEP 1: Read this form in its entirety.

STEP. Complete and sign below. Your signature indicates that:

- You fully understand the PMI removal requirements described on page 2 & have reviewed the 'Frequently Asked Questions' on page 3.
- You consent for 7 Servicing to order a new valuation. A new valuation is either an appraisal or Automated Valuation Model (AVM).
 - Do not order your own valuation. It must be ordered by 7 Servicing.
- You understand the type of valuation required is based on the owner of your loan and is not chosen at the discretion of the homeowner.
 - If the owner of your loan requires an appraisal, then an appraisal will be ordered.
 - If the owner of your loan requires an AVM, then an AVM will be ordered.
- You consent to pay a non-refundable property valuation fee (appraisal or AVM) regardless of the returned value of the property. The cost of valuations can vary depending on market conditions:
 - The cost of an appraisal is generally \$395, but can cost up to \$600 or more**
 - The cost of an AVM is generally \$200, but can cost up to \$350 or more**
 - The cost of the valuation will be added to the monthly bill after the results are received
- You confirm there are no subordinate liens attached to your property.

First and Last Name

Loan Number

Property Address Street / City / State / zip

Signature

Date

STEP 1: Send us your form! If applicable, please include a list of substantial improvements made to the property since loan closing.

Where do I send the form and what should I do if I have questions?

If you have questions or concerns, please call us at 877.313.9677 to speak with one of our friendly customer service representatives. Submit the fully completed form to us by:

Email: 7servicing@7.coop
Fax: 865.813.0112
Mail: 7 Servicing
 ATTN: PMI Removal Request
 2077 Town Center Blvd, Suite 304
 Knoxville, TN 37922

When and how will I know if PMI was removed?

We value your time and will diligently review your request. The evaluation process may take up to four weeks to complete. We will notify you by mail once the valuation (appraisal/AVM) is received and the evaluation is completed.

PMI CANCELLATION MATRIX				
Age of Loan	LTV Calculation Method	Loan Type	LTV Requirements	Valuation Required?
Any point in the life of the loan	LTV based on Original Value	One Unit Principal Residence or Second Home	80%	Yes
		Two to Four Unit Principal Residence or One to Four Unit Investment Properties	Fannie Mae: 70% Freddie Mac: 65% Other: 70%	
Less than 24 months	LTV based on Current Value <i>Note: requires substantial improvements made to the property since closing</i>	One Unit Principal Residence or Second Home	80%	Yes
		Two to Four Unit Principal Residence or One to Four Unit Investment Properties	Fannie Mae: Not Allowed for Removal Freddie Mac: 65%	
24 months–60 months	LTV based on Current Value when substantial improvements have not been made to the property since closing.	Single-Family Principal Residence or Second Home	75%	Yes
		Two to Four Unit Principal Residence or One to Four Unit Investment Properties	Fannie Mae: 70% Freddie Mac: 65% Other: 70%	
	LTV based on Current Value when substantial improvements have been made to the property since closing.	Single-Family Principal Residence or Second Home	80%	
		Two to Four Unit Principal Residence or One to Four Unit Investment Properties	Fannie Mae: Not Allowed for Removal Freddie Mac: 65%	
61 months +	LTV based on Current Value meets the LTV requirements	Single-Family Principal Residence or Second Home	80%	Yes
		Two to Four Unit Principal Residence or One to Four Unit Investment Properties	Fannie Mae: 70% Freddie Mac: 65% Other: 70%	
<p>Adjustable Rate Mortgage: The current amortization schedule following the most recent rate change is used for purposes of PMI removal.</p> <p>Balloon/Reset Mortgage: The current amortization schedule following the most recent rate change is used for purposes of PMI removal.</p> <p>Loan Modifications: The amortization schedule of the modified mortgage loan and the property value at the time of the mortgage loan modification, are used for purposes of PMI removal.</p>				

What are MIP and PMI? How do I know which one I have?

They are the two types of mortgage insurance. Mortgage Insurance protects lenders against financial loss when a default occurs on a mortgage loan. MIP applies to Federal Housing Administration (FHA) insured loans, which is a type of government program. PMI applies to loans that are not insured under a government program.

When can I request PMI be cancelled?

Generally, for loans closed on or after July 29, 1999, as a single-family primary residence, homeowners have the right to request the PMI be cancelled on or after either of these dates:

- 1.) The date the principal balance of the loan is first scheduled to reach 80% of the original value of the property based solely on the initial amortization schedule, or
- 2.) The date the principal balance actually reaches 80% of the original value of the property based on actual payments made.

When will PMI be automatically terminated?

For loans closed on or after July 29, 1999 as a single-family primary residence and the loan payments are current, PMI will automatically terminate on the date the principal balance of the loan is first scheduled to reach 78% of the original value of the property based solely on the initial amortization schedule. If the loan payments are not current as of that date, PMI will automatically terminate the month after the payments are brought current. In any event, PMI will not be required beyond the date that is the midpoint of the amortization period for the loan if the payments are current as of that date.

What if my loan closed before July 29, 1999, is not a single-family primary residence, or is a second home?

The conditions for cancelling mortgage insurance for mortgages closed before July 29, 1999 are not provided for under federal law and may be changed at the lender's discretion (unless otherwise restricted by state law).

How do I find the original value of my property or LTV?

The original value is either the purchase price or the appraised value of your property at closing, whichever is less. If the loan is a refinance, then the original value is the appraised value used to refinance the loan. To calculate the original loan to value (OLTV), divide the unpaid principal balance (including any deferred principal balance) of the loan by the property's original value.

What is the difference between Original Loan to Value (OLTV) and Current Loan to Value (CLTV) calculation methods?

The Loan to Value ratio (LTV) is the relationship between the loan's Unpaid Principal Balance (including any deferred amounts) and the property's expected price if sold. Because home prices fluctuate, there are two approaches to calculating LTV. The Original Loan to Value (OLTV) method compares the current Unpaid Principal Balance (UPB) with the property's value at closing. The Current Loan to Value (CLTV) method compares the current UPB with the property's expected price if sold in the near future. As a result, the CLTV method is the only method that takes substantial improvements into consideration.

What is considered a substantial improvement?

A substantial improvement increases value, improves marketability, and/or extends the useful life of the property. Substantial improvements include renovations, finishing a basement; addition of square footage; and/or additional feature(s), garage, deck, pool, sprinklers. Improvements or repairs made to maintain functionality or improve cosmetics are not considered substantial. Some improvements are considered substantial by Freddie Mac but not Fannie Mae.

Why can't I use a past appraisal?

Appraisals consider the value of a property at a fixed point in time. Housing prices fluctuate so an updated valuation is required to confirm the value of the property. Servicer-ordered appraisals are performed at arm's length, meaning the appraiser is not influenced in any way by either the servicer or homeowner. This practice ensures the most objective and precise measurement of the property's value. The valuation must be ordered by 7 Servicing, and 7 Servicing cannot reimburse homeowners for ordering their own valuation.

What if I miss my appointment?

If you miss your valuation appointment, please contact the appraiser or broker to reschedule the appointment.

What if I disagree with the results of the valuation?

You can dispute the valuation if you believe it contains factual errors. Any valuation dispute(s) requires evidence demonstrating factual inaccuracies (e.g., miscalculations in square footage or lot size, dissimilar comparable properties used, etc.). Many popular internet sites provide automated courtesy estimates of value, however, these estimates alone are insufficient to demonstrate factual inaccuracies. Valuations ordered for the purpose of PMI removal are completed by certified brokers and/or appraisers and are more precise than estimates provided publicly online. Valuation disputes are subject to additional processing costs up to \$125 which will be billed to your account upon completion of the dispute review process. Please contact us using the contact information above for details on how to file a dispute.