

PRIVATE MORTGAGE INSURANCE REMOVAL REQUEST FORM



To request removal of private mortgage insurance (PMI) from your mortgage loan with CrossCountry Mortgage, LLC ("CrossCountry Mortgage"), a new valuation will be required* to confirm the value of the property. This can be true even when removing PMI based on the original value of the property.

The following 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 5.
- ☒ There must not be any subordinate lien(s) attached to the property.
- ☒ If substantial improvements have been made to the property since the loan closed, then evidence of these improvements is required.

Follow the below steps to begin the process:

Step 1. Read this form in its entirety.

Step 2. Complete and sign below. Your signature indicates that:

- ☒ You fully understand the PMI removal requirements described on page 5 and have reviewed the Frequently Asked Questions on pages 3 and 4.
- ☒ You consent to a new valuation ordered by CrossCountry Mortgage. A new valuation is either an appraisal or Broker Price Opinion (BPO).
 - ☐ Do not order your own valuation. It must be ordered by CrossCountry Mortgage.
- ☒ 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 a BPO, then a BPO will be ordered.
- ☒ You consent to pay a non-refundable property valuation fee (appraisal or BPO) regardless of the returned value of the property. This fee must be collected prior to evaluating the loan for PMI removal. The cost of valuations can vary depending on market conditions:
 - ☐ The cost of an appraisal is generally \$450, but can cost up to \$2,000 or more**
 - ☐ The cost of a BPO is generally \$190, but can cost up to \$550 or more**
- ☒ You confirm there are no subordinate liens attached to your property.

Step 3. Complete this form and send it back to us! If applicable, complete the form on page 2 to include a list of improvements, date(s) of completion, and cost(s) of project(s). If substantial improvements have been made, and no list is provided, the higher LTV will be used to determine PMI removal (refer to the PMI Cancellation Matrix on page 5).

*A new valuation is not required when the most recent servicer-ordered valuation is less than 120 days old for the purpose of PMI removal.

**We will contact you beforehand in the event the cost of a valuation exceeds the thresholds defined in this form.

First and Last Name: _____ Loan Number: _____

Property Address: _____
Street, City, State, and Zip Code

Signature: _____ Date: _____

The evaluation process may take up to four weeks to complete. Once the valuation (appraisal/BPO) is received and the evaluation is completed, we will notify you by mail. If you have questions or concerns, please call us at 800-224-9784. Submit the fully completed form(s) to us by:

Email: ServicingHelp@YouAreHome.com
Fax: 877-776-1112

Mailing Address: CrossCountry Mortgage, LLC
P.O. Box 19409
Charlotte, NC 28219-9409

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[illegible]

*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), such as a garage, deck, pool, or 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.

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

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

When can I request PMI cancellation?

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

- ☐ 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
- ☐ The date the principal balance 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. 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.

For multi-unit and investment properties: Freddie Mac-insured loans are not eligible for automatic termination. Fannie Mae-insured loans must meet the midpoint of the loan based on the original amortization schedule.

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

The conditions for canceling mortgage insurance for mortgages closed prior to 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. Either calculation method is permitted to be used when requesting PMI removal, but LTV requirements will differ based on: which calculation method is used, the loan type, the age of the loan at the time the PMI removal request is made, and whether substantial improvements have been made to the property since closing. 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 lesser of the property's value at closing or the purchase price.
- ☐ 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 the difference between having PMI on a Fannie Mae loan versus a Freddie Mac loan?

While both loan types allow for PMI removal, Fannie Mae and Freddie Mac have different LTV requirements. You can look up your loan type by visiting <https://yourhome.fanniemae.com/calculators-tools/loan-lookup> for Fannie Mae loans, or <https://myhome.freddie.mac.com/resources/loanlookup> for Freddie Mac loans.

Why can't I use a past appraisal?

Appraisals consider the value of a property at a fixed point in time. Since housing prices fluctuate, 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, to ensure the most objective and precise measurement of the property's value. The valuation must be ordered by CrossCountry Mortgage, and CrossCountry Mortgage 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.

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Will a copy of the BPO or appraisal be provided?

A copy of the BPO or appraisal will be provided if your PMI removal request is denied, along with the reason for the denial. If your PMI removal request is approved, and you would like to receive a copy, please email or call 800-224-7984 to obtain a copy.

When will someone contact me about my inspection?

Once your completed PMI Removal Form is received, CrossCountry Mortgage places an order for inspection with your investor. An inspector will reach out to you within seven (7) to ten (10) calendar days from when the form is received and the order is placed.

Can CrossCountry Mortgage provide me with inspector details?

All inspections are completed by approved third-party inspectors. These inspectors are assigned by the investor of your mortgage loan; CrossCountry Mortgage is not aware of the inspector's name and details prior to selection. The inspector information will become available to you once they contact you.

What type of valuation is needed?

The inspection will always be interior. Each room will be photographed regardless of valuation type (appraisal or BPO).

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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
		Investment Properties or any Multi-Unit properties	Fannie Mae: 70% Freddie Mac: 65%	
Less than 24 months	LTV based on Current Value Note: requires substantial improvements made to the property since closing	One Unit Principal Residence or Second Home	80%	Yes
		Investment Properties or any Multi-Unit properties	Fannie Mae: PMI removal not permitted 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
		Investment Properties or any Multi-Unit properties	Fannie Mae: 70% Freddie Mac: 65%	
	LTV based on Current Value when substantial improvements have been made to the property since closing	Single-Family Principal Residence or Second Home	80%	
		Investment Properties or any Multi-Unit properties	Fannie Mae: 70% Freddie Mac: 65%	
61 months +	LTV based on Current Value meets the LTV requirements	LTV based on Current Value meets the LTV requirements	80%	Yes
		Investment Properties or any Multi-Unit properties	Fannie Mae: 70% Freddie Mac: 65%	

Adjustable Rate Mortgage: The current amortization schedule following the most recent rate change is used for purposes of PMI removal.

Balloon/Reset Mortgage: The current amortization schedule following the most recent rate change is used for purposes of PMI removal.

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.