

Private Mortgage Insurance - Initial Disclosure - High Risk Loans

Borrower(s) : _____

Date : _____

Property Address : _____

Loan Number : _____

You are obtaining a mortgage loan that requires private mortgage insurance ("PMI"). PMI protects lenders and others against financial loss when borrowers default, and charges for the insurance are added to your loan payments.

Lender-Defined High Risk Loans. PMI will not be required on your mortgage loan beyond the date the principal balance of your loan is first **scheduled** to reach 77% of the original value of the property. If PMI is not sooner terminated in accordance with the foregoing sentence, PMI will not be required on your mortgage loan beyond the date that is the midpoint of the amortization period for the loan, if you are current on your loan payments on that date. "Original value" means the lesser of (a) the contract sales price of the property or (b) the appraised value of the property at the time the loan was closed.

Fannie Mae / Freddie Mac. PMI will not be required on your mortgage loan beyond the date that is the midpoint of the amortization period for the loan, provided you are current on your loan payments on that date.

Please note that PMI is **not** the same as property/casualty insurance -- such as homeowner's or flood insurance -- which protects you against damage to the property. Termination of PMI does **not** affect any obligation you may have to maintain other types of insurance.

I/we have received a copy of this disclosure.

Borrower

Date

Borrower

Date