

▶ CANCELLING PRIVATE MORTGAGE INSURANCE

Under certain circumstances, homeowners can request to cancel their private mortgage insurance before it cancels automatically. Typically, mortgage insurance is automatically cancelled when the loan balance is scheduled to drop to 78% of the original property value. A benefit of canceling private mortgage insurance is lowering the homeowner's total monthly mortgage payment.

BORROWER CAN REQUEST CANCELLATION WHEN...

▶ MORTGAGES CLOSED AFTER JULY 29, 1999

FANNIE MAE

Mortgage balance has reached 80% of the original property value or when it is scheduled to reach 80%, whichever occurs first.

FREDDIE MAC

Loan-to-value ratio must reach 75% or less of the original property value.

▶ MORTGAGES CLOSED BEFORE JULY 29, 1999

FANNIE MAE

Loan-to-Value ratio must reach 80% or less of the original property value.

FREDDIE MAC

Loan-to-value ratio must reach 80% or less of the original property value.

AUTOMATIC CANCELLATION OCCURS WHEN...

▶ MORTGAGES CLOSED AFTER JULY 29, 1999

FANNIE MAE & FREDDIE MAC

Mortgage balance is first scheduled to reach 78% of original property value or the first day of the month after the date that is the mid-point of the amortization period*.

▶ MORTGAGES CLOSED BEFORE JULY 29, 1999

FANNIE MAE & FREDDIE MAC

First day of the month after the date that is the mid-point of the amortization period*.

BSM *DIRECT*



Equal Housing Lender. BankSouth Mortgage Company, LLC. NMLS # 690971. Borrower must have a good payment history and be current on payments. This information is not comprehensive and other restrictions may apply. Information is based on a single family principal residence or second home.

*For example, 15 years is the mid-point of the amortization period for a 30 year mortgage.