

Private Mortgage Insurance Removal Policy and Eligibility Criteria

The federal Homeowners Protections Act provides rights to remove PMI under certain circumstances. These rights apply to mortgages related to single-family principal residences, closed on or after July 29, 1999. The law generally provides two ways for you to remove PMI from your home loan: cancelling PMI or PMI termination.

Automatic PMI Termination

Even if you do not ask for your servicer to cancel PMI, your servicer still must terminate PMI on the date when your principal balance is scheduled to reach 78 percent of the original value of your home. For your PMI to be cancelled on that date, you need to be current on your payments on the anticipated termination date. Otherwise, PMI will not be terminated until shortly after your payment are brought up to date.

Final PMI Termination

Another way to remove PMI from your monthly payment is if you are current on payment, your lender or servicer must end the PMI the month after you reach the midpoint of your loans amortization schedule. The termination applies even if you have not reached 78 percent of the original value of your home. The midpoint of your loan's amortization schedule is halfway through the full term of your loan. For 30-year loans, the midpoint would be after 15 years have passed. This standard for ending the PMI halfway through the loan's term is more likely to happen for people who have a mortgage with an interest-only period, principal forbearance or a balloon payment.

Request PMI Cancellation

The Homeowners Protection Act gives you the right to request that your servicer cancel PMI when you have reached the date when the principal balance of your mortgage is scheduled to fall to 80 percent of the original value of your home. This date should have been given to you in writing on a PMI disclosure form when you received your mortgage. If you can't find the disclosure, please contact your servicer.

You can also make this request earlier if you have made additional payments that reduce the principal balance of your mortgage to 80 percent of the original value of your home. For this purpose, "original value" generally means either the contract sales price of the appraised value of your home at the time you purchase it, whichever is lower (or, if you have refinanced, the appraised value at the time you refinanced). There also are options for PMI removal if you have made substantial improvements to the property which increased the value from the time you closed your loan. Further clarification is given below for eligibility to request PMI removal;

Eligibility to Request PMI Cancellation Based on ORIGINAL Value of Home

- Your request must be made in writing.
- Your loan must have closed on or after July 29, 1999.
- The loan type is not an FHA, USDA or VA.
- Your loan payment must be current with no 30 day lates in the last 12 months AND no 60 day lates in the last 24 months, no active bankruptcy.
- Certification that there are no junior liens (such as a second mortgage) on your home.

- A servicer ordered appraisal is used to document that the value of your home has not decreased since closing. Payment will be required in advance of the appraisal being ordered.

Eligibility to Request PMI Cancellation Based on CURRENT Value of Home

- Your request must be made in writing.
- Your loan must have closed on or after July 29, 1999.
- The loan type is not an FHA, USDA or VA.
- Owner occupied properties only (second homes and investment properties are not eligible).
 - o In the event of a non-occupying co-borrower with an occupying borrower, the borrower residing in the property needs to be the party to request the cancellation.
- Your loan payment must be current with no 30 day lates in the last 12 months AND no 60 day lates in the last 24 months, no active bankruptcy.
 - o A full 2 year pay history requirement may be waived in certain situations as long as all borrowers from the time of closing are still on the loan and all other conditions are met.
- Certification that there are no junior liens (such as a second mortgage) on your home.
- A servicer ordered appraisal is used to document that the value of your home. Payment will be required in advance of the appraisal being ordered.
 - o If the mortgage was closed MORE THAN 5 years ago, the current principal balance versus value must be lower than or equal to 80 percent.
 - o If the mortgage was closed more than 2 years but less than 5 years ago, the current principal balance versus value must be lower than or equal to 75 percent.
 - A full 2 year pay history requirement may be waived in certain situations as long as all borrowers from the time of closing are still on the loan and all other conditions are met.

Initiation of Request

Interested borrowers should contact VanDyk Mortgage's Customer Service at 888-482-6395 or servicemyloan@vandykmortgage.com for further guidance.

Remittance of Funds for Appraisal Inspection

Funds must be received and cleared prior to PMI cancellation documents being sent to the borrower(s).

Overnight and Regular Mail

VanDyk Mortgage Corporation
2141 W. Bristol Rd
Flint, MI 48507

Wire Instructions

PNC Bank
VanDyk Mortgage Corporation
ABA: 041000124
Account: 4117234853

Execution of Cancellation

Upon receipt of a formal written request for PMI cancellation, payment for and satisfactory completion of an appraisal inspection, the borrower will receive a formal written response from VanDyk Mortgage with its findings. The removal of PMI will take a full 30 days to process, meaning if a borrower requested cancellation is granted on the 15th of January, PMI would be removed effective for the borrowers March payment. The borrowers loans will also have an escrow analysis run at the same time, which may result in an increase in other escrow related payments (real estate taxes and insurances). Notification of an approval or denial of a

cancellation request will be communicated in writing by the company within 10 calendar days of a decision being made.

Corporate Office

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