How to remove Conventional Mortgage Insurance!

There’s a lot of ambiguity about this process. It’s straight forward, if you know where to look. Unfortunately knowing where to look is the hard part!

Please see below for a simple explanation:

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| --- | --- | --- | --- |
| Cancellation point | | | |
|  | | | |
| Based on **Original Value** of home |  | **Current value** of home | **Current value** of home |
| The loan must be 80% or less of the original value. Based on the amortization schedule OR actual payments. | The loan must be **80%** or less, if five years or more have elapsed since the origination date. | The loan must be **75%** or less, if two years or more have elapsed since the origination date. |

Certain loan types will allow removal of PMI, at any time, if substantial improvements have reduced the loan to value ratio to 80% or less, based on current value.

\*\*LTV = loan to value ratio (loan / value = %)

\*\*PMI = private mortgage insurance, an insurance policy provided by a private company.