

## FREDDIE MAC PMI REMOVAL GUIDELINES

### Borrower-Initiated Termination of PMI based on Original Value of Property

Time Period After Closing	LTV	How is Value Determined/Verified?	Appraisal/BPO Needed?
<b><u>Single Family Principal Residence or Second Home</u></b> No minimum time period after closing is required	80% LTV or less. LTV is calculated based on the lesser of the Original value of property or purchased price. <i>(Must be based on amortization schedule or actual payments)</i>	N/A	<b>No</b>
<b><u>2-4 Family Principal Residence or 1-4 Unit Investment Property</u></b> 0 to Day before Year 2 after Closing	65% or less. LTV is calculated based on the lesser of the Original value of property or purchased price.	Current BPO from vendor network or appraisal at borrower's expense.	<b>Yes</b>

### Borrower-Initiated Termination of PMI based on Current Value of Property

Time Period After Closing	LTV	How is Value Determined/Verified?	Appraisal/BPO Needed?
<b><u>Single Family Principal Residence or Second Home</u></b> 0 to Day before Year 2 after Closing	PMI Removal Not Permitted Using Current Value Unless Substantial Improvements Made After Origination Increased the Value of the Property		
<b><u>Single Family Principal Residence or Second Home</u></b> 2 - 5 years after Closing	75% or less of current property value if loan origination is between 2 and 5 years.	Current BPO from vendor network or appraisal at borrower's expense.	<b>Yes</b>
<b><u>Single Family Principal Residence or Second Home</u></b> 5 + years after Closing	80% or less of current value of property if loan origination is > 5 years.	Current BPO from vendor network or appraisal at borrower's expense.	<b>Yes</b>
<b><u>2-4 Family Principal Residence or 1-4 Unit Investment Property</u></b>	65% or less based on current property value and 2 years must have elapsed since origination.	Current BPO from vendor network or appraisal at borrower's expense.	<b>Yes</b>

**Current Value Seasoning Requirement:**

Minimum of 2 years required for all Freddie Mac loans unless increase in value is due to substantial property improvements made after origination and are reviewed on a case by case basis.

**Evidence of Value:**

Satisfy lender requirements of no decline in value since origination and no subordinate liens.

### Acceptable Payment Record Criteria

- is current when the termination is requested, meaning mortgage payment for month preceding the date of the request was paid;
- has no payment 30 or more days past due in the last 12 months; and
- has no payment 60 or more days past due in the last 24 months.

