

## South Carolina State Housing Finance and Development Authority

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### Private Mortgage Insurance Disclosure

Your mortgage loan with SC Housing requires private mortgage insurance (“PMI”). PMI protects lenders and others against financial loss when borrowers default. Charges for the insurance make up a portion of your loan payments. Under certain circumstances, federal law gives you the right to cancel PMI or requires that PMI automatically terminate. Cancellation or termination of PMI does not affect any obligation you may have to maintain other types of insurance. **If you closed your loan prior to July 29, 1999, you are required to carry PMI for the life of the loan and this notice will not apply to your loan.**

**Borrower requested cancellation of PMI:** You may have the right to request that PMI be cancelled on or after either of these dates:

- (1) The date the principal balance of your loan is first scheduled to reach 80% of the original value of the property or,
- (2) The date the principal balance actually reaches 80% of the original value of the property.

**PMI will only be cancelled on these dates if:**

- (1) Your loan is current at the time of the request and,
- (2) You have a good payment history. “Good payment history” means no payments 60 or more days past due within two years of cancellation date or date of request or no payments 30 or more days past due within one year of the cancellation date or date of request, and,
- (3) We receive, if requested and at your expense, evidence that the value of the property has not declined below its original value and certification that there are no subordinate liens on the property. “Original value” means the lesser of the contract sales price of the property or the appraised value of the property at the time the loan was closed and,
- (4) You submit a written request for cancellation.

**Automatic Termination of PMI:** If you are current on your loan payments, PMI will automatically terminate on the date the principal balance of your loan is first scheduled to reach 78% of the original value of the property. If you are not current on your loan payments as of that date, PMI will automatically terminate when you become current on your payments.

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 that date.

For further information about PMI Cancellation: Contact the Escrow Department at 1-800-476-0412, or in Columbia 896-9464.