

Notice Concerning Private Mortgage Insurance Initial Disclosure – Adjustable Rate Mortgages

Borrower(s): Amit Patil	Lender: Provident Credit Union
Property Address: 254 Holiday Hills Dr Martinez, CA 94553	Loan Number: 1501001302
	Date: 01/23/2015

You are obtaining a mortgage loan that requires private mortgage insurance (“PMI”). PMI protects lenders and others against financial loss when borrowers default. Charges for the insurance are added to your loan payments or Charges for the insurance are collected upfront at Loan closing.

Under certain circumstances, federal law gives you the right to cancel PMI or requires that PMI automatically terminate. This disclosure describes when cancellation and termination may occur. Please note that PMI is *not* the same as property/casualty insurance – such as homeowner’s or flood insurance – which protects you against damage to the property. Cancellation or termination of PMI does *not* affect any obligation you may have to maintain other types of insurance.

In this disclosure, “loan” means the mortgage loan you are obtaining; “you” means the original borrower (or his or her successors or assigns); and “property” means the property securing the mortgage loan.

Borrower Requested Cancellation of PMI

You have the right to request that PMI be canceled on or after the following dates:

1. The date the principal balance of your loan is first *scheduled* to reach 80% of the original value of the property.
2. The date the principal balance *actually* reaches 80% of the original value of 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. If this loan refinances an existing loan secured by the property, “original value” means the appraised value relied on by the lender to approve this loan.

You will be notified when these dates are reached.

PMI will only be canceled if all the following conditions are satisfied:

1. you submit a written request for cancellation;
2. you have a good payment history; and
3. you are current on the payments required by your loan; and
4. we receive, if requested and at your expense, evidence satisfactory to the holder of your loan that the value of the property has not declined below its original value, and certification that there are no subordinate liens on the property.

A “good payment history” means no payments 60 or more days past due within two years and no payments 30 or more days past due within one year of the later of (a) the cancellation date, or (b) the date you submit a 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. This date is called the “termination date”.

If you are *not* current on your loan payments as of that date, PMI will automatically terminate on the first day of the month immediately following the date when you thereafter become current on your payments.

On or about the termination date the borrower will be notified that the PMI has been terminated or will be terminated when you become current on your loan payments.

Exceptions to Cancellation and Automatic Termination

The cancellation and automatic termination requirements described above do not apply to certain loans that may present a higher risk of default. Your loan does not fall into this category. Accordingly, the cancellation and automatic termination provisions described above apply to your loan.

I/we have received a copy of this disclosure.

Borrower Amit Patil	Borrower
Date	Date
Borrower	Borrower
Date	Date