

# Kick PMI Off Your Mortgage Payment

When you first bought your home, private mortgage insurance (PMI) was, in a way, a saving grace. It allowed you to get the keys to your home without having to put a 20% down payment on it.

However, this came at an added cost in the form of a pesky monthly PMI premium rolled into your mortgage payment. Boo.

But there's good news: **You might be able to get rid of PMI.** Yay!

We've laid out a few scenarios where you might be able to ditch PMI once and for all —and more importantly, start keeping more money in your pocket.

## First and Foremost

**You've built up at least 20% equity in your home.** And once that happens, you won't have to do a thing. Your PMI will be removed when the loan-to-value ratio (LTV) on your mortgage reaches 78%. This is the simplest way to get rid of your PMI payment.



## Ways to Cancel PMI Sooner



**Refinance your mortgage.** When rates are low (like now), a refi can help you by lowering your monthly payment AND ditching PMI. A mortgage double whammy! Here, you'd get an appraisal to determine your home's current value. And if the balance of your new mortgage will be 80% or less than the home's value, PMI would not be required.

**Get an appraisal (without a refi).** Another option you may have is to get your house appraised without refinancing. Your current lender might agree to cancel the PMI if the appraisal determines your home's value has increased to where you meet the 20% equity threshold.



Before you commit to the appraisal fee — typically between \$400 and \$700 — do your research to see if home values have increased in your neighborhood to justify the cost.



**Boost your home's value (with home improvements).** If your home's value hasn't increased on its own, you can take matters (and tools) into your own hands. A practical, well-chosen home improvement may be able to increase your home's value and eliminate PMI in the process. Upgrades that typically see a high return on investment are:



Minor bathroom remodel



Landscaping upgrade



Front entryway improvement



Bedroom addition

**Pay a little more towards your premium.**

You might be surprised at just how fast you could reach the 20% equity threshold if you can throw an extra \$100 or \$200 towards your principal payment each month. It won't hurt, that's for sure.



## To request early PMI cancellation, you might also need:



A written request



To be current on your payments with a good payment history



Proof you don't have other liens on the home

**Think one of these options could help kick PMI off your mortgage payment? Don't hesitate to reach out.** We'd love to discuss your options with you.