

# Private Mortgage Insurance



If, when you purchased your home, you used a conventional loan and put less than 20% down, there's a good chance your monthly payment includes **Private Mortgage Insurance (PMI)**.

PMI is a form of insurance that protects the lender in case you stop making payments on your loan. It does **not** protect you, the buyer—but it does make it possible to purchase a home without waiting until you've saved a full 20% down payment.

It's also important to note that PMI is **not required** for government-backed loans such as FHA, VA, or USDA loans. These loan programs have their own forms of mortgage insurance or guaranty fees.

To get a personalized estimate of how PMI could affect your monthly mortgage payment, you can use the following link provided by Freddie Mac: <https://tinyurl.com/y6t277d2>

The good news is that PMI isn't forever. Once you reach **22% equity** in your home—either by paying down your loan balance or through home appreciation—you can request that your lender remove PMI. By law,

lenders must automatically remove PMI once your equity reaches 22%, provided you are current on your payments.

One important thing to keep in mind: lenders are not always proactive about removing PMI in a timely manner. In our marketplace, if you've owned your home for several years, there's a strong possibility you've already reached that 22% equity threshold and may be eligible to have PMI removed from your monthly payment.

This step alone could save you **hundreds of dollars per month**.

If you're interested in determining your home's current value or exploring whether you've reached the 22% equity mark, I offer a **free service** to help you evaluate your situation.

I'm always available to answer your real estate questions and assist you in making wise and profitable decisions.

“Let experience be your guide!”



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