

From: [David Petroni](#)
To: [Petitions](#)
Subject: Petition for Policy Change: Adjusting PMI Removal Criteria in Light of Property Value
Date: Monday, May 20, 2024 3:17:41 PM
Importance: High

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TO WHOM IT MAY CONCERN:

Thank you for allowing me to petition the cfpb on this national matter.

I hope you are doing well. I am writing to inform you about a critical Private Mortgage Insurance (PMI) issue and request a policy change.

Currently, PMI is determined based on a home's sales price and is not typically removed by private lenders, the FHA, or government-sponsored enterprises such as Fannie Mae and Freddie Mac until the Loan To Value (LTV) is reduced to at or below 80% LTV. However, due to recent increases in property values in most all markets nationally, local government property tax re-evaluations are significantly increasing due to the material change in their property value. In some instances, these assessed values may be rising from 10-50%, which can dramatically affect a homeowner's financial situation and monthly mortgage payment.

In light of this, I propose that homeowners be allowed to petition their financial institutions for the removal or reduction of PMI if they can demonstrate one of the following conditions:

- The local property assessment has increased such that the outstanding mortgage balance is at or below an 80% loan-to-value (LTV) ratio.
- The homeowner can demonstrate that renovations or improvements, as verified by an MAI appraisal, have increased the property's value to a level that results in an 80% LTV ratio.
- The homeowner is willing to obtain an appraisal showing that the current market conditions place the LTV at or below 80%.

Considering the current real estate climate, implementing these changes would reflect a reasonable and fair approach to PMI. Such a policy update would positively impact homeowners nationwide by providing financial relief and acknowledging the actual value of their properties.

This policy change, which updates rules that may have been instituted post-2008, would benefit financial institutions and homeowners. Your attention and consideration of this matter would be greatly appreciated.

Thank you for your time and understanding.
Thank you.

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