



"Ask Lori"

**Helpful Tax Saving Advice and Tips from
Broward County Property Appraiser Lori Parrish**

Dear Lori:

I received a letter to notify me that my recent mortgage entitles me to a low-cost Mortgage Payment Protection with No Physical Exams? I have been getting these letters regularly and they seem to know a lot about me and my mortgage—should I be concerned?

R.D., Deerfield Beach, FL (via email)

Our office has received numerous inquiries from concerned homeowners regarding this and similar letters from other companies. These solicitations disguise themselves as official requests from your mortgage lender with details about your mortgage, like your lender's name, how much was borrowed, your loan type, and of course your name and address. This official looking letters seem like they are from your lender, but they really just another piece of junk mail! I know as my family has recently moved to a new home and with my new mortgage came numerous mortgage protection solicitations.

The solicitation letters offer a program designed to protect your loan in the event of an unexpected death or disability. It's called a mortgage protection program or mortgage protection life insurance. They also offer numerous emotional appeals: "PEACE OF MIND IS KNOWING THE PARRISH FAMILY WILL NOT LOSE THEIR HOME." But mortgage protection insurance (MPI) is really a type of life insurance. It's sold by banks affiliated with lenders and by independent insurance companies obtaining information about your mortgage from public records. Policy terms and conditions vary by state and by insurance company.

Most people confuse MPI with private mortgage insurance, or PMI, which are completely different products. Private mortgage insurance protects the lender, not you. If you put down less than 20% on your home, you are required by law to pay monthly premiums to a PMI policy in order to pay your lender if you default on the loan. If you pass away, your heirs will continue to owe the mortgage payments and would have to default on them before the PMI kick in.

The only people who might benefit from these offers are people who can't qualify for regular term life insurance because of medical history or are not eligible for group policies which don't require medical underwriting. If this fits your situation, get quotes from several companies— not just the ones sending you alarming letters through the mail. While the Property Appraiser's Office can't help you with your exemption insurance, we can assist you with filing for Homestead and other property tax-saving exemptions at www.bcpa.net or contact our office directly at 954.357.6830.

Sincerely,

If you have a question for the Property Appraiser, please email Lori at lori@bcpa.net or write to her at the Broward County Property Appraiser's Office, 115 S. Andrews Avenue, Room 111, Fort Lauderdale, FL 33301. (April 2016)