

Servicing Guide

VERSION 1.3

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COVID-19 Servicer Reporting Requirements

COVID-19 Servicer Reporting Requirements

As previously announced, National MI is aligned with the CARES Act and supports the forbearance programs announced by the FHFA and the GSEs. In order to provide uniformity in Servicer identification and reporting of mortgage loans, specifically where the borrower has experienced a COVID-19 hardship, National MI has collaborated with the MISMO working group and other MI providers to develop standardized reporting for Servicers related to Defaults, forbearance and loss mitigation Workouts. As always, it is important to ensure complete and timely reporting to National MI, so we can appropriately allocate resources and support any Servicer loss mitigation activities.

Automated Default Reporting (ADR)

When Servicers provide monthly reporting to National MI for loans that are in Default, they should use **Reason for Default (RFD) Code 12** – formerly “Energy/Environmental Costs” – to report **COVID-19 Defaults**. Energy/Environmental Costs will now be combined with Over Obligated (Excessive Use of Credit) and will be reported using RFD Code 08. The name of RFD Code 12 has been updated to “National Emergency Declaration”. Loans in forbearance should be reported as “in Default” with the appropriate code when two consecutive payments remain unpaid. Monthly updates for an active Notice of Default (NOD) should continue until the borrower brings the loan current, either through their own funds or a loss mitigation Workout (i.e., repayment plan, payment deferral or loan modification).

- **MILAR 169 Reporting**

RFD Code 12 – previously representing Energy/Environmental Costs, this code will now be used for *National Emergency Declaration (including COVID-19 hardships)*. **Energy/Environmental Costs will now be combined with Over Obligated (Excessive Use of Credit) and reported using RFD Code 08.**

- **MILAR 169 and MILAR 32**

For forbearance due to COVID-19 related hardship, use the following Workout Program Names (WPNs) to support the GSE's new loss mitigation program:

- **Code 43 – National Emergency Forbearance Plan**
- **New Code 44 – Deferred Payment Program**

If a Servicer is not able to implement the new codes, then Workout Program Names **Code 10 – Other Delinquent** and **Code 11 – Other Performing** can be used in place of Code 43 and Code 44.

Workouts

National MI has given delegated authority to the GSEs and Servicers for Workouts. For loans owned by Fannie Mae or Freddie Mac, Servicers should follow agency guidelines to complete loan modifications.

Further Details/Questions

For loans insured by National MI **on or after March 1, 2020**, please refer to this Servicing Guide for further details.

For loans insured **prior to March 1, 2020**, please refer to the previous [Default Reporting & Claims Guide](#), which can also be found in the 2014 Master Policy Archive section, located on the [Master Policy Resources page](#) for more details.

1.0 Introduction

National MI has a dedicated Servicing team that understands Servicers' unique business practices and is committed to helping Servicers maintain a current and accurate portfolio over the long term. The team is made up of individuals who are passionate about helping their clients by delivering timely feedback to questions and concerns.

National MI seeks to partner with its customers to prudently manage insured risk. The terms included within National MI's Servicing Guide provide our process and guidelines associated with Policy Servicing, Default Reporting and Claims.

- The Policy Servicing section of this Guide provides our guidelines associated with the various MI products/premium plan types, MI activation, MI premium billing/payments, servicing of performing loans, and MI cancellation for loans insured by National MI.
- The Default Reporting and Claims section of this Guide outlines National MI's Master Policy requirements for servicing Borrower Defaults, mitigating potential losses, preparing and filing complete perfected Claims and National MI's Claim process once we have received a completed Claim filing.

These guidelines are based on the terms and conditions in the Master Policy under which a loan is insured. Please refer to the appropriate provisions of the Master Policy for a complete explanation of the Insured's and National MI's respective rights and responsibilities. Our goal is to work with the Insured and its Servicer to cure Defaults within the framework of the Master Policy, to mitigate loss where possible, to simplify the Claim filing process, and to provide the maximum allowed benefit.

National MI's Servicing Guide is intended to explain and assist National MI's Insureds and their Servicers in following the requirements of the Master Policy, and the information in this Guide is subject to change from time to time. This Guide is not intended to amend or modify the Master Policy and, therefore, in the event of any inconsistency between this Guide and the Master Policy, the terms of the Master Policy will prevail. Capitalized terms not defined in this Guide will have the same definition contained in the "Definition of Terms Used in this Policy" section of the Master Policy.

Note: Refer to [National MI's TrueGuide®](#) for Underwriting Guidelines and MI submission requirements.

Premium Billing & Payments

2.0 MI Products/Premium Plan Types & Activating Coverage

National MI offers a range of Borrower-Paid Mortgage Insurance (BPMI) and Lender-Paid Mortgage Insurance (LPMI) products and payment plan types. Once National MI approves a loan for mortgage insurance, a Commitment/Certificate will be issued.

The following outlines National MI's products, payment plan types and activation requirements:

Product	Payment Plan	Activation Requirements
Monthly ADVANTAGE® (Deferred Plan)	<ul style="list-style-type: none"> • Premiums remitted monthly • No initial premium payment is required at loan closing to activate coverage 	<ul style="list-style-type: none"> • Loan must close on or before the Commitment expiration date • Within 30-days of the loan closing, provide the loan closed date via one of the following options: <ul style="list-style-type: none"> ▪ National MI's AXIS system ▪ Fax completed Commitment/Certificate to 510.858.0341 ▪ Mail completed Commitment/Certificate to: National Mortgage Insurance Corporation P.O. Box 660849 Dallas, TX 75266-0849 ▪ Electronic activation through Service Bureaus BKFS and Fiserv ▪ Email servicing@nationalmi.com
Standard Monthly	<ul style="list-style-type: none"> • Premiums remitted monthly • Initial premium collected at closing and payment is required along with the loan closing date to activate coverage 	<ul style="list-style-type: none"> • Loan must close on or before the Commitment expiration date • At time of activation: (i) Provide the loan closed date; and (ii) Pay the first month's initial premium via one of the following options: <ul style="list-style-type: none"> ▪ Mail completed Commitment/Certificate to: National Mortgage Insurance Corporation P.O. Box 660849 Dallas, TX 75266-0849 ▪ Electronic activation through Service Bureaus BKFS and Fiserv
Annual	<ul style="list-style-type: none"> • Yearly premium payment plan • Renewal premium to be paid at the anniversary date each year 	<ul style="list-style-type: none"> • Loan must close on or before the Commitment expiration date • At time of activation: (i) Provide the loan closed date; and (ii) Pay the first year's premium via one of the following options: <ul style="list-style-type: none"> ▪ Mail completed Commitment/Certificate to: National Mortgage Insurance Corporation P.O. Box 660849 Dallas, TX 75266-0849 ▪ Electronic activation through Service Bureaus BKFS and Fiserv
Single	<ul style="list-style-type: none"> • One-time upfront MI premium payment with no ongoing renewal payments • Initial premium collected at closing and payment is required along with the loan closing date to activate coverage 	<ul style="list-style-type: none"> • Loan must close on or before the Commitment expiration date • At time of activation: (i) Provide the loan closed date; and (ii) Pay the full premium amount via one of the following options: <ul style="list-style-type: none"> ▪ Mail completed Commitment/Certificate to: National Mortgage Insurance Corporation P.O. Box 660849 Dallas, TX 75266-0849 ▪ Electronic activation through Service Bureaus BKFS and Fiserv

Additional product details are available at www.nationalmi.com/products-rates/.

For more information on activating coverage, email servicing@nationalmi.com or 855.317.4NMI (4664).

3.0 Premium Billing and Payments

National MI will issue renewal bills on a monthly basis for annual and monthly payment plan types. National MI's monthly billing statements are available the 1st day of the month.

3.1 Billing Methods

National MI offers automated and manual billing formats:

- BKFS
- Fiserv
- Excel spreadsheet or PDF monthly billing statement available for download via National MI's AXIS system

3.2 Payment Options

- Wire Transfer – please contact servicing@nationalmi.com to request wire transfer instructions
- Checks sent through Overnight courier or U.S. Postal Service to National MI's Lockbox:

National Mortgage Insurance Corporation

General Payments:

P.O. Box 660849
Dallas, TX 75266-0849

Overnight Payments:

2975 Regent Blvd., Suite 100
Lockbox 660849
Irving, TX 75063

3.3 Taxes

Loans on properties in states levying surcharges and/or local government taxes require tax due in addition to the MI premium payments. The applicable tax will be calculated and included for the appropriate Certificates on the monthly billing statement.

4.0 Certificate Administration

4.1 Servicing Transfers and Loan Sales

If servicing rights for a loan are sold, assigned or transferred by the Investor/Servicer, National MI should be notified within thirty (30) days so that the Certificate can be associated with the correct Master Policy and so that premium can be properly billed. The new Servicer must be an approved National MI Master Policyholder. If not, refer to National MI's TrueGuide® for the process to request a servicing Master Policy for the new Insured/Servicer*.

Information required for a servicing transfer/loan sale:

- Name and address of new Servicer and National MI Master Policy #
- Servicing transfer/loan sale effective date
- National MI Certificate number
- New Servicer's loan number (if available)

Options to process a servicing transfer or loan sale:

- National MI's AXIS system
- Electronic notifications through Service Bureaus BKFS and Fiserv
- Email Servicing transfer/loan sale to servicing@nationalmi.com
- Fax completed [Servicing Transfer Form](#) to 510.858.0341
- Mail completed [Servicing Transfer Form](#) to:
National Mortgage Insurance Corporation
P.O. Box 660849
Dallas, TX 75266-0849

4.2 Loan Number Updates and Principal Balance Updates

To assure that your Certificate is properly billed, please notify the Policy Servicing department of loan number and principal balance changes:

Notification Options:

- Electronic notifications through Service Bureaus BKFS and Fiserv
- Update the loan number and principal balance on the monthly billing statement
- National MI's AXIS system
- Monthly reconciliation reports
- Email updates to servicing@nationalmi.com

*The Insured or its Servicer or sub-servicer, as the case may be, is required to maintain the full mortgage payment records for all loans insured by National MI for at least 3 years after liquidation or sale or transfer of the loan. Upon National MI's request, the Insured or its Servicer or sub-servicer, shall provide evidence of operational controls regarding maintenance and quality of its mortgage payment record-keeping. Records or documents may be created or retained in electronic form without storage of paper hard-copies, provided that they are retained and remain recoverable for the time required hereunder.

Certificate Administration

4.3 Property and Borrower Name Changes

Please contact the Policy Servicing department for any administrative changes in the Borrower or Property address information. National MI may request supporting documentation depending upon the update.

4.4 Changes to the Loan Terms, Property or to Property Ownership (vesting)

National MI's prior approval is required before the Insured/Servicer implements a change to either a performing loan or non-performing loan, unless the change is allowed by the terms of the loan, applicable law, the Master Policy, an approved variance, and an approved in-force delegation agreement or as otherwise delegated within this Guide. When National MI's prior approval is or is not required is described in the sections below.

A change to the loan terms, Property or Property ownership includes any of the following:

- **Assumption** – See [Section 4.4.1](#)
- **Partial Release** – See [Section 4.4.2](#)
- **Traditional Modification** – See [Section 4.4.3](#)
- **Refinance Certificate Change Program** – See [Section 4.4.4](#)

Please direct questions to servicing@nationalmi.com.

For other Workouts, including changes to the loan terms on non-performing loans, refer to [Section 10.0 Mitigation of Loss Efforts](#) within this Guide.

Certificate Administration

4.4.1 Assumptions

An assumption includes (but is not limited to) any of the following:

- Removal (with or without release of liability) of a living Borrower;
- Removal of a deceased Borrower in order to transfer ownership to the other remaining Borrower or to a relative of the deceased or a devisee in the case of inheritance Borrower;
- Adding a new Borrower;
- Transfer of ownership to a spouse, domestic partner or relative of a Borrower;
- Transfer of ownership to a non-relative of a Borrower; or
- Transfer of title into an inter-vivos trust that meets the GSE requirements.

The following requirements apply to an assumption (which also includes transfers of ownership and transfers of title):

- The Insured/Servicer must obtain National MI's prior approval; and
- The Insured/Servicer must submit a loan-specific cover letter or written request explaining the assumption transaction to National MI (unless approval authority has been delegated to the GSEs and/or their approved Servicers in accordance with PMIERS for loss mitigation purposes) and the applicable documentation noted below. MILAR, reconciliation reports or any one-off reports do not meet the loan-specific written request requirements within this Guide.

Assumptions Documentation Requirements

- A loan-specific cover letter or written request explaining the assumption transaction;
- Current completed Loan Application (Form 1003);
- Current credit report(s) and FICO scores on all Borrowers, including any proposed new Borrower(s), that meet TrueGuide® Section 3.5.4;
- Current employment/income documentation and calculations that meet TrueGuide® Section 3.5.1;
- Current asset documentation and calculations that meet TrueGuide® Section 3.5.3;
- Purchase agreement, property settlement agreement, quit claim/warranty/grant deed, death certificate, evidence of inheritance, divorce decree, legal separation agreement or inter-vivos trust agreement for the requested assumption (which includes a transfer of ownership or transfer of title), as applicable;
- Appraisal or property valuation from the original loan;
- Mortgage loan payment history of existing loan;
- Current UPB of existing loan (may be included in mortgage loan payment history);
- Copy of original note on existing loan;
- Copy of mortgage deed of trust on existing loan;
- Other documents, as applicable; and
- Additional information or documentation may be required when deemed necessary by National MI.

Please direct questions to servicing@nationalmi.com.

For other Workouts, including changes to the loan terms on non-performing loans, refer to [Section 10.0 Mitigation of Loss Efforts](#) within this Guide.

Certificate Administration

4.4.2 Partial Release

A Partial Release is when a portion of the mortgaged Property is voluntarily or involuntarily released from the Mortgage Deed of Trust for any of the following reasons:

- Government authority taking a portion of the Property through eminent domain (aka involuntary release);
- Government authority taking a portion of the Property through installation of an easement (aka involuntary release);
- Government authority declaring a portion of the mortgaged Property as condemned (aka involuntary release); or
- Borrower's request to release a portion of Property secured by the mortgage (aka voluntary release).

The following requirements apply to a Partial Release:

- The Insured/Servicer must obtain National MI's prior approval; and
- The Insured/Servicer must submit a loan-specific cover letter or written request explaining the Partial Release transaction to National MI (unless approval authority has been delegated to the GSEs or their approved Servicers in accordance with PMIERS for loss mitigation purposes) and the applicable documentation noted below. MILAR, reconciliation reports or any one-off reports do not meet the loan-specific written request requirements within this Guide.

Partial Release Documentation Requirements	Involuntary	Voluntary
A loan-specific cover letter or written request explaining the Partial Release transaction;	Yes	Yes
Mortgage loan payment history of existing loan;	Yes	Yes
Current UPB of existing loan (may be included in mortgage loan payment history);	Yes	Yes
Copy of original note on existing loan;	No	Yes
Copy of mortgage deed of trust on existing loan;	No	Yes
Purchase agreement or property settlement agreement for the parcel to be released, if applicable;	Yes	Yes
Dollar amount of any compensation awarded to (or to be received by) the Borrower for the parcel being released;	Yes	Yes
Copy of appraisal or Property valuation from the original loan;	Yes	No
Current full appraisal (with interior and exterior) ordered by the Insured/Servicer that meets TrueGuide® Section 3 and states the current value <u>before</u> and <u>after</u> the Partial Release;	N/A	Yes
Copy of the documentation from the government authority seizing or installing an easement on the parcel;	Yes	N/A
New survey clearly identifying the proposed Partial Release or easement;	No	Yes
Other documents, as applicable; and	Yes	Yes
Additional information or documentation may be required when deemed necessary by National MI.	Yes	Yes

Please direct questions to servicing@nationalmi.com.

For other Workouts, including changes to the loan terms on non-performing loans, refer to [Section 10.0 Mitigation of Loss Efforts](#) within this Guide.

Certificate Administration

4.4.3 Traditional Modification

A traditional modification includes a change to the terms of an insured loan or Borrower's obligations under the loan as required in the original note or security instrument; or other types of MI Certificate changes not addressed elsewhere within this Guide.

The following requirements apply to a traditional modification:

- The Insured/Servicer must obtain National MI's prior approval; and
- The Insured/Servicer must submit a loan-specific cover letter or written request explaining the traditional modification transaction to National MI and the applicable documentation noted below. MILAR, reconciliation reports or any one-off reports do not meet the loan-specific written request requirements within this Guide.

Traditional Modification Documentation Requirements

- A loan-specific cover letter or written request explaining the traditional modification transaction;
- Current completed Loan Application (Form 1003);
- Current credit report(s) and FICO scores on all Borrowers that meet TrueGuide® Section 3.5.4;
- Current employment/income documentation and calculations that meet TrueGuide® Section 3.5.1;
- Current asset documentation and calculations that meet TrueGuide® Section 3.5.3;
- Current full appraisal (with interior and exterior) ordered by the Insured/Servicer that meets TrueGuide® Section 3;
- Mortgage loan payment history of existing loan;
- Current UPB of existing loan (may be included in mortgage loan payment history);
- Copy of original note on existing loan;
- Copy of mortgage deed of trust on existing loan;
- Other documents, as applicable; and
- Additional information or documentation may be required when deemed necessary by National MI.

Please direct questions to servicing@nationalmi.com.

For other Workouts, including changes to the loan terms on non-performing loans, refer to [Section 10.0 Mitigation of Loss Efforts](#) within this Guide.

Certificate Administration

4.4.4 Refinance Certificate Change Program

National MI's Refinance Certificate Change program supports efforts to help homeowners who have a timely mortgage payment history but are unable to refinance to more financially beneficial mortgage terms because their Property values have declined. The following two options are allowed:

- **GSE Refinance Certificate Change**: Applies to loans owned or guaranteed by Fannie Mae or Freddie Mac and originated under Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance programs; or
- **Non-GSE Refinance Certificate Change**: Applies to loans not owned or guaranteed by the GSEs and/or are maintained in a lender's own portfolio.

4.4.4.1 GSE Refinance Certificate Change of Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance Loans

The following requirements apply to a refinance transaction of an existing National MI insured loan that is also a Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance.

In the event National MI's GSE Refinance Certificate Change program guidelines are silent on a topic, the standard Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance guidelines will apply (excluding any custom variances that may have been negotiated – unless such variances have also been approved by National MI).

National MI requirements for GSE loans are largely consistent with GSE requirements. In addition to requiring that the loan satisfy all of the applicable GSE requirements and that National MI currently insures the loan being refinanced, National MI guidelines incorporate the following overlays:

- **Current UPB** of existing loan (i.e., the mortgage being refinanced) may not exceed the original loan amount;
- **Living Borrowers may not be removed** from the note on the new refinance loan, except in case of divorce;
- **LTV thresholds** must exceed the minimum percent and dollar amount included in the eligibility matrix; and
- **Higher minimum LTVs** (see eligibility matrix below for details).

Please refer to Fannie Mae's and Freddie Mac's guidelines for a complete set of underwriting, documentation and program requirements.

Eligibility Matrix: GSE Refinance Certificate Change Program	
Originating Lender/Servicer	New refinance loan may be originated by any of the following: <ul style="list-style-type: none"> ▪ Current Insured lender or an affiliate of the Insured lender; ▪ Current Servicer or sub-servicer or an affiliate of the Servicer or sub-servicer; ▪ New originating lender; or ▪ New Servicer.
Effective Date	Loan application date of the new refinance loan must be on or after 11/1/2018.
Seasoning of Existing Loan	<ul style="list-style-type: none"> ▪ Note date of existing loan (i.e., loan being refinanced) must be on or after 10/1/2017; and ▪ Minimum 15 months must have elapsed between the note date of the existing loan to the note date of the new refinance loan.

Certificate Administration

Eligibility Matrix: GSE Refinance Certificate Change Program	
Current GSE or Agency	Existing loan must: <ul style="list-style-type: none"> Be currently owned or guaranteed by Fannie Mae or Freddie Mac; Not have an outstanding repurchase request from Fannie Mae or Freddie Mac; and Not have been previously delivered to Fannie Mae or Freddie Mac as a Home Affordable Refinance Program (HARP) loan.
Current MI Company	Existing loan must: <ul style="list-style-type: none"> Be currently insured by National MI; Not be in the process of having MI coverage rescinded; and Have a current LTV > 80%.
MI Certificate #	National MI will retain the same MI Certificate number.
MI % of Coverage	No change to the percent of MI coverage.
MI Premium Rate	<ul style="list-style-type: none"> No change to the MI premium rate. MI premiums on the existing loan must be paid to National MI through the date of the new refinance loan closing. Please do not cancel or terminate the MI Certificate on the existing loan.
MI Plan	<ul style="list-style-type: none"> No change to the MI plan type (i.e., BPMI must remain BPMI and LPMI must remain LPMI). No change to the MI payment plan frequency (i.e., monthly must remain monthly, etc.). No change to the MI renewal option (i.e., constant must remain constant, etc.).
MI Premium Payment Amount	<ul style="list-style-type: none"> While the MI premium rate remains the same, the MI premium payment amount may change and will be determined using the same MI premium rate to the new refinance loan amount (provided the new refinance loan amount complies with the requirements described in the New Loan Amount & Mortgage Proceeds section below); or If the existing loan has a single premium MI plan, the following MI premiums payment terms apply: <ul style="list-style-type: none"> National MI will not charge an additional MI premium when the originally insured loan has a single premium MI plan (even when there is an increase in the new refinance loan amount); and When there is a decrease in the new refinance loan amount, National MI will retain in full the single premium paid for the existing loan.
Appraisal & Property Value	<ul style="list-style-type: none"> The Property value must have declined such that the current LTV requirements noted below are met. The current value of the Property must be determined by one of the options allowed per Fannie Mae's High LTV Refinance or Freddie Mac's Enhanced Relief Refinance programs.
Borrower Change	<ul style="list-style-type: none"> All Borrowers from the existing loan must remain on the new refinance loan, <u>except</u> as follows: <ul style="list-style-type: none"> A deceased Borrower may be removed provided that evidence of the Borrower's death is included in the file; or In case of divorce, the ex-spouse Borrower may be removed provided: <ul style="list-style-type: none"> Evidence of the divorce decree reflects the remaining Borrower has been awarded the subject Property; and The remaining Borrower meets <u>all</u> the requirements per Fannie Mae's High LTV Refinance or Freddie Mac's Enhanced Relief Refinance programs. A new Borrower may not be added to the new refinance loan. Borrower buy-outs are not allowed.
Loan Purpose	<ul style="list-style-type: none"> Rate/term refinance A renovation mortgage is ineligible for the Refinance Certificate Change Program.
New Loan Amount & Mortgage Proceeds	<ul style="list-style-type: none"> Current UPB of existing loan may <u>not exceed</u> the <u>original</u> loan amount. The new refinance loan amount may include the following and National MI's insured loan amount may be increased to match the eligible new refinance loan amount: <ul style="list-style-type: none"> Payoff of 1st mortgage; Pay up to \$5,000 in closing costs; and Maximum \$250 cash-back to Borrower (cash-back > \$250 must be applied as a principal curtailment to the new refinance loan).

Certificate Administration

Eligibility Matrix: GSE Refinance Certificate Change Program

Current LTV/CLTV

- Current value must have declined from the Property's Original Value such that both of the following two LTV thresholds are met:
 - 3% LTV threshold: The minimum LTV in the following table must be exceeded by at least 3%; and
 - \$5,000 LTV threshold: The minimum LTV in the following table must be exceeded by an amount of at least \$5,000.

Current Occupancy	Property Type	GSE	Full Appraisal Obtained Minimum Current LTV	Appraisal Waiver or HVE Utilized Minimum Current LTV
Primary Residence	1-unit Single-Family, Condo or Co-op ⁽¹⁾	Fannie Mae or Freddie Mac	97.01%	107.01%
	Manufactured Home (including MH Advantage & CHOICEHome)	Fannie Mae or Freddie Mac	97.01%	Not Eligible
		2-unit	Fannie Mae	85.01%
		Freddie Mac	95.01%	105.01%
	3-4 unit	Fannie Mae	85.01%	Not Eligible
Freddie Mac		95.01%	Not Eligible	
Second Home	1-unit Single-Family, Condo or Co-op ⁽¹⁾	Fannie Mae or Freddie Mac	90.01%	100.01%
	Manufactured Home (including MH Advantage & CHOICEHome)	Fannie Mae or Freddie Mac	90.01%	Not Eligible
Investment Property	1-unit Single-Family, Condo or Co-op ^{(1), (2)}	Fannie Mae or Freddie Mac	85.01% ⁽²⁾	95.01% ⁽²⁾

⁽¹⁾ Co-ops are ineligible for a Fannie Mae DU Appraisal Waiver option or a Freddie Mac HVE.

⁽²⁾ For additional requirements on loans where the occupancy type has converted from a primary residence to an investment property, contact the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F)

- GSE Refinance Certificate Change Program [Eligibility Examples](#) are noted below.

GSE Refinance Certificate Change Program – Eligibility Examples:

Current Occupancy	GSE	Valuation Type	Property Type	New Refinance Loan Amount	Valuation	Current LTV	Minimum Current LTV	Eligibility
Primary	Fannie or Freddie	New Full Appraisal	1-unit	\$87,000	New Full Appraisal = \$80,000	108.75%	97.01%	<ul style="list-style-type: none"> LTV % threshold = 97.01% + 3% = Min 100.01% Current LTV LTV \$ threshold = (\$80,000 x 0.97 = 77,600) & \$87,000 - \$77,600 = \$9,400 Loan is ELIGIBLE, as both the 3% & \$5,000 LTV thresholds are met
	Fannie or Freddie	Appraisal Waiver	1-unit	\$87,000	Appraisal Waiver Value = \$80,000 HVE Point Value Estimate = \$80,000	108.75%	107.01%	<ul style="list-style-type: none"> LTV % threshold = 107.01% + 3% = Min 110.01% Current LTV LTV \$ threshold = (\$80,000 x 1.07 = \$85,600) & \$87,000 - \$85,600 = \$1,400 Loan is INELIGIBLE, as neither the 3% or \$5,000 LTV thresholds are met
		HVE						
Primary	Fannie or Freddie	New Full Appraisal	1-unit	\$43,500	New Full Appraisal = \$40,000	108.75%	97.01%	<ul style="list-style-type: none"> LTV % threshold = 97.01% + 3% = Min 100.01% Current LTV LTV \$ threshold = (\$40,000 x 0.97 = \$38,800) & \$43,500 - \$38,800 = \$4,700 Loan is INELIGIBLE, although 3% LTV threshold is met, the \$5,000 LTV threshold is not satisfied
Primary	Fannie	New Full Appraisal	2-unit	\$380,000	New Full Appraisal = \$400,000	95.00%	85.01%	<ul style="list-style-type: none"> LTV % threshold = 85% + 3% = Min 88% Current LTV LTV \$ threshold = (\$400,000 x 0.85 = \$340,000) & \$380,000 - \$340,000 = \$40,000 Loan is ELIGIBLE, as both the 3% & \$5,000 LTV thresholds are met
	Freddie						95.01%	<ul style="list-style-type: none"> LTV % threshold = 95% + 3% = Min 98% Current LTV LTV \$ threshold = (\$400,000 x 0.95 = \$380,000) & \$380,000 - \$380,000 = \$0 Loan is INELIGIBLE, as neither the 3% or \$5,000 LTV thresholds are met
Primary	Fannie	Appraisal Waiver	2-unit	\$380,000	N/A	95.00%	N/A	<ul style="list-style-type: none"> Fannie limits Appraisal Waivers to 1-units Fannie Mae requires new full appraisal on 2-units
	Freddie	HVE			HVE Point Value Estimate = \$400,000		105.01%	<ul style="list-style-type: none"> LTV % threshold = 105.01% + 3% = Min 108.01% Current LTV LTV \$ threshold = (\$400,000 x 1.05 = \$420,000) & \$380,000 - \$420,000 = (\$40,000) Loan is INELIGIBLE, as neither the 3% or \$5,000 LTV thresholds are met

Maximum Current LTV/CLTV

- No maximum current LTV is required on fixed rate loans.
- A maximum 105% current LTV is required when the new refinance loan is an ARM.
- No maximum current CLTV/HCLTV is required on fixed rate or ARM loans.

Certificate Administration

Eligibility Matrix: GSE Refinance Certificate Change Program	
Subordinate Financing	Subordinate financing must comply with Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance programs, except the combined balances of the new 1 st refinance lien and the existing 2 nd lien may <u>not</u> increase beyond an amount described in the New Loan Amount & Mortgage Proceeds section above.
AUS & Non-AUS	<ul style="list-style-type: none"> ▪ New refinance loan may be a DU[®], LPA[®], Non-AUS or manually underwritten loan. ▪ A copy of the final and valid DU[®]/LPA[®] decision (AUS report) must be present in the file and all approval conditions related to the AUS decision must be satisfied in accordance with agency requirements.
Documentation	<p>Depending upon the MI submission path, submit the following relevant documents:</p> <ul style="list-style-type: none"> ▪ Delegated Loans: <ul style="list-style-type: none"> ▪ Completed and signed National MI High LTV Relief Refinance Certificate Change Request form. ▪ Non-Delegated Loans: <ul style="list-style-type: none"> ▪ Completed and signed National MI High LTV Relief Refinance Certificate Change Request form; ▪ Loan payment history of existing loan (may be documented via current credit report); ▪ Copy of original note on existing loan; ▪ New Loan Application (Form 1003); ▪ New Transmittal Underwriting Summary (Form 1008 – or lender’s equivalent underwriting analysis or underwriting summary form); ▪ AUS final reports (DU[®] Findings/LPA[®] Feedback, if applicable); ▪ Current credit report on all Borrowers; ▪ Current employment/income (for at least one Borrower provide VVOE, non-employment income documentation (if applicable), or recent financial statement with 12 months reserves; additional documentation required if new P&I payment increasing >= 20% or if the ex-spouse Borrower is being removed from the note on the new refinance loan); ▪ Current assets (provide if new P&I payment increasing >= 20% or if the ex-spouse Borrower is being removed from the note on the new refinance loan); ▪ Current Property valuation documentation (new full appraisal, DU[®] Appraisal Waiver or LPA[®] HVE, as applicable); and ▪ Other documents, as applicable.
MI Submission for New Refinance Loan	<ul style="list-style-type: none"> ▪ To validate current National MI coverage, please contact the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F). ▪ New refinance loan must be submitted to National MI by an active Master Policy holder. ▪ National MI allows the following MI submission options: <ul style="list-style-type: none"> ▪ For single loan or multiple/bulk loan MI submissions, submit the relevant documents via either: <ul style="list-style-type: none"> ○ ShareFile (our simple and secure file transfer platform); or ○ Secure email communication to GSECertMod@nationalmi.com. ▪ For document delivery via secure email or ShareFile submission, contact the Solution Center at 855-317-4NMI (4664) or solutioncenter@nationalmi.com between 5 a.m. and 5 p.m. PT (M-F). ▪ For single loan delegated MI submissions, complete, sign and submit the National MI High LTV Relief Refinance Certificate Change Request Form. ▪ For single loan non-delegated MI submissions, complete and sign the National MI High LTV Relief Refinance Certificate Change Request Form and submit the form and relevant documents. ▪ For multiple or bulk loan MI submissions, complete and submit the National MI High LTV Relief Refinance Certificate Change Request spreadsheet. ▪ For B2B/EDI transmissions, please contact the Solution Center at 855.317.4NMI (4664). ▪ Please do not cancel or terminate the MI Certificate on the existing loan. ▪ Once National MI has received and reviewed the documents, we will provide the submitting lender with a notification. ▪ Within approximately ten (10) business days of receiving a complete and accurate MI submission, eligible loans will receive an interim replacement National MI Commitment with the same National MI Certificate number. ▪ The interim replacement MI Commitment term is 120-days.

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Eligibility Matrix: GSE Refinance Certificate Change Program	
MI Activation of Updated MI Cert	<ul style="list-style-type: none"> ▪ Upon loan closing, fax completed updated MI Certificate with the loan closed date on the new refinance loan; or ▪ Email the loan closed date of the new refinance loan to National MI at servicing@nationalmi.com.
MI Rescission Relief	<ul style="list-style-type: none"> ▪ If an insured loan has qualified for rescission relief prior to the Certificate modification, such relief will continue to apply to the loan following any approved modification of coverage under the Certificate. In summary, the existing loan's MI rescission relief will be transferred over to the approved new refinance loan. ▪ Examples: <ul style="list-style-type: none"> ▪ If the existing loan is on 60-months rescission relief and has achieved 20-months of timely payments, then the approved modified loan would be eligible to achieve 60-month rescission relief if the Borrower continues to make the subsequent 40-monthly payments on time, with their own funds, and subject to satisfying all other terms and conditions of the Master Policy. ▪ If an Independent Validation is completed and early rescission relief is granted to the existing loan, then the new refinanced loan will also have early rescission relief.
Other	<ul style="list-style-type: none"> ▪ All rights under National MI's Master Policy are retained on the new refinance loan and National MI retains the right to review the new refinance loan file (the loans are subject to National MI QC audits). ▪ MI cancellation allowed under the Homeowners Protection Act (HPA) also applies to the new refinance loan.
Questions	<p>Please direct questions to:</p> <ul style="list-style-type: none"> ▪ servicing@nationalmi.com; or ▪ Call the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F).

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4.4.4.2 Non-GSE Refinance Certificate Change of National MI Insured Loans of Lender Portfolio Loans

The following requirements apply to a refinance transaction of an existing National MI insured loan that is also a Non-GSE refinance.

In the event National MI's Non-GSE Refinance Certificate Change program guidelines are silent on a topic, the Fannie Mae High LTV Refinance or Freddie Mac Enhanced Relief Refinance guidelines will apply.

Eligibility Matrix: Non-GSE Refinance Certificate Change Program	
Originating Lender/Servicer	New refinance loan may be originated by any of the following: <ul style="list-style-type: none"> ▪ Current Insured lender or an affiliate of the Insured lender; ▪ Current Servicer or sub-servicer or an affiliate of the Servicer or sub-servicer; ▪ New originating lender; or ▪ New Servicer
Effective Date	Loan application date of the new refinance loan must be on or after 11/1/2018.
Seasoning of Existing Loan	<ul style="list-style-type: none"> ▪ Note date of existing loan (i.e., loan being refinanced) must be on or after 10/1/2017; and ▪ Minimum 15 months must have elapsed between the note date of the existing loan to the note date of the new refinance loan.
Current Investor	Existing loan must not be currently owned or guaranteed by Fannie Mae or Freddie Mac.
Current MI Company	Existing loan must: <ul style="list-style-type: none"> ▪ Be currently insured by National MI; ▪ Not be in the process of having MI coverage rescinded; and ▪ Have a current LTV > 80%.
MI Certificate #	National MI will retain the same MI Certificate number.
MI % of Coverage	No change to the percent of MI coverage.
MI Premium Rate	<ul style="list-style-type: none"> ▪ No change to the MI premium rate. ▪ MI premiums on the existing loan must be paid to National MI through the date of the new refinance loan closing. ▪ Please do not cancel or terminate the MI Certificate on the existing loan.
MI Plan	<ul style="list-style-type: none"> ▪ No change to the MI plan type (i.e., BPMI must remain BPMI and LPMI must remain LPMI). ▪ No change to the MI payment plan frequency (i.e., monthly must remain monthly, etc.). ▪ No change to the MI renewal option (i.e., constant must remain constant, etc.).
MI Premium Payment Amount	<ul style="list-style-type: none"> ▪ While the MI premium rate remains the same, the MI premium payment amount may change and will be determined using the same MI premium rate to the new refinance loan amount (provided the new refinance loan amount complies with the requirements described in the New Loan Amount & Mortgage Proceeds section below); or ▪ If the existing loan has a single premium MI plan, the following MI premiums payment terms apply: <ul style="list-style-type: none"> ▪ National MI will not charge an additional MI premium when the originally insured loan has a single premium MI plan (even when there is an increase in the new refinance loan amount); and ▪ When there is a decrease in the new refinance loan amount, National MI will retain in full the single premium paid for the existing loan.
Appraisal & Property Value	<ul style="list-style-type: none"> ▪ The Property value must have declined such that the current LTV requirements noted below are met. ▪ The current value of the Property must be determined by a new full appraisal (with interior and exterior inspection).

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Eligibility Matrix: Non-GSE Refinance Certificate Change Program	
Borrower Benefit	<p>New refinance must provide at least one of the following Borrower benefits:</p> <ul style="list-style-type: none"> ▪ Reduced principal and interest payment; ▪ Lower interest rate; ▪ Shorter amortization term; or ▪ Move to a more stable product.
Borrower Change	<ul style="list-style-type: none"> ▪ All Borrowers from the existing loan must remain on the new refinance loan, <u>except</u> as follows: <ul style="list-style-type: none"> ▪ A deceased Borrower may be removed provided that evidence of the Borrower's death is included in the file; or ▪ In case of divorce, the ex-spouse Borrower may be removed provided: <ul style="list-style-type: none"> ○ Evidence of the divorce decree reflects the remaining Borrower has been awarded the subject Property; and ○ The remaining Borrower meets <u>all</u> the following requirements: <ol style="list-style-type: none"> a) File evidences the remaining Borrower on their own has been making the mortgage payment for the most recent 12-months; b) Manual underwrite required (regardless of DU® or LPA®); c) New full appraisal required (with interior and exterior inspection); d) Minimum 620 representative FICO score; e) Maximum 45% DTI (calculated using the credit report and verified income); f) Employment and income must be verified and documented (National MI defers to Fannie Mae's High LTV Refinance and Freddie Mac's Enhanced Relief Refinance documentation requirements); and g) Source of funds needed for closing must be verified with one recent monthly, quarterly or annual financial statement (reserves are <u>not</u> required to be verified). ▪ A new Borrower may not be added to the new refinance loan. ▪ Borrower buy-outs are not allowed.
Loan Purpose	<ul style="list-style-type: none"> ▪ Rate/term refinance ▪ A renovation mortgage is ineligible for the Refinance Certificate Change Program.
Maximum Original Loan Amount	<ul style="list-style-type: none"> ▪ The original loan amount must not exceed the applicable GSE maximum. ▪ National MI will consider excessive original loan amounts on a case-by-case basis via a non-delegated underwriting evaluation.
New Loan Amount & Mortgage Proceeds	<ul style="list-style-type: none"> ▪ Current UPB of existing loan may not exceed the <u>original</u> loan amount. ▪ The new refinance loan amount may include the following and National MI's insured loan amount may be increased to match the eligible new refinance loan amount: <ul style="list-style-type: none"> ▪ Payoff of 1st mortgage; ▪ Pay up to \$5,000 in closing costs; and ▪ Maximum \$250 cash-back to Borrower (cash-back > \$250 must be applied as a principal curtailment to the new refinance loan).
Multiple Refinances	<p>No limit on the number of times the loan may be refinanced via National MI's Non-GSE Refinance Certificate Change program.</p>
Loan Product Type	<ul style="list-style-type: none"> ▪ Fixed rate fully amortizing; or ▪ If the existing loan is an ARM, then the new refinance loan may be an ARM with a minimum 5-year initial fixed period. ▪ If the existing loan is a fixed rate, then the new refinance loan must be a fixed rate. ▪ Maximum 40-year amortization term (Example: If the existing loan is a 30-year or less amortization term, then the new refinance loan may be up to a maximum 40-year amortization term). ▪ Ineligible: ARMs with less than 5-year initial fixed period, balloons, graduated payment, interest-only, negative amortization (scheduled or potential), or pay-options features.
Temporary Buydown	<p>No buydown allowed.</p>

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Eligibility Matrix: Non-GSE Refinance Certificate Change Program

Current LTV/CLTV

- Current value must have declined from the Property's Original Value such that both of the following two LTV thresholds are met:
 - 3% LTV threshold: The minimum LTV in the following table must be exceeded by at least 3%; and
 - \$5,000 LTV threshold: The minimum LTV in the following table must be exceeded by an amount of at least \$5,000.

Current Occupancy	Property Type	Maximum Loan Amount	Minimum Current LTV
Primary Residence	1-unit Single Family, Condo or Co-op	GSE Conforming Loan Limit	97.01%
		High Balance	95.01%
	Manufactured Home (including MH Advantage & CHOICEHome)	GSE Conforming Loan Limit	90.01%
	2-unit	GSE Conforming Loan Limit	95.01%
		High Balance	85.01%
3-4 unit	TrueGuide [®] Limit	90.01%	
Second Home	1-unit Single Family, Condo or Co-op	GSE Conforming Loan Limit & High Balance	90.01%
	Manufactured Home (including MH Advantage & CHOICEHome)	GSE Conforming Loan Limit	90.01%
Investment Property ⁽¹⁾	1-unit Single Family, Condo or Co-op ⁽¹⁾	GSE Conforming Loan Limit ⁽¹⁾	85.01% ⁽¹⁾
All	All	Jumbo	Not Eligible ⁽²⁾

⁽¹⁾ For additional requirements on loans where the occupancy type has converted from a primary residence to an investment property, contact the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F).
⁽²⁾ Jumbo loan amounts will be considered on a case-by-case basis if submitted via the non-delegated path.

- Non-GSE Refinance Certificate Change Program [Eligibility Examples](#) are noted below.

Non-GSE Refinance Certificate Change Program – Eligibility Examples:

Current Occupancy	Property Type	New Refinance Loan Amount	Current Appraised Value	Current LTV	Minimum Current LTV	Eligibility
Primary	1-unit	\$190,000	\$180,000	105.56%	97.01%	<ul style="list-style-type: none"> LTV % threshold % = 97.01% + 3% = Min 100.01% Current LTV LTV \$ threshold = (\$180,000 x 0.97 = \$174,600) & \$190,000 - \$174,600 = \$15,400 Loan is ELIGIBLE, as both the 3% & \$5,000 LTV thresholds are met
Primary	1-unit	\$43,500	\$40,000	108.75%	97.01%	<ul style="list-style-type: none"> LTV % threshold % = 97.01% + 3% = Min 100.01% Current LTV LTV \$ threshold = (\$40,000 x 0.97 = \$38,800) & \$43,500 - \$38,800 = \$4,700 Loan is INELIGIBLE, although 3% LTV threshold is met, the \$5,000 LTV threshold is not satisfied
Primary	2-unit	\$380,000	\$385,000	98.70%	95.01%	<ul style="list-style-type: none"> LTV % threshold = 95.01% + 3% = Min 98.01% Current LTV LTV \$ threshold = (\$385,000 x 0.95 = \$365,750) & \$380,000 - \$365,750 = \$14,250 Loan is ELIGIBLE, as both the 3% & \$5,000 LTV thresholds are met

Maximum Current LTV/CLTV

- No maximum current LTV is required on fixed rate loans.
- A maximum 105% current LTV is required when the new refinance loan is an ARM.
- No maximum current CLTV/HCLTV is required on fixed rate or ARM loans.

Subordinate Financing

- Combined balances of the new 1st refinance lien and the existing 2nd lien may not increase beyond an amount described in the [New Loan Amount & Mortgage Proceeds](#) section above.
- Existing 2nd must be resubordinated to new 1st lien.
- Existing 2nd may not be paid-off with proceeds from or via an increase in the new 1st lien refinance loan amount.
- Existing 2nd may be increased to pay down the 1st lien balance.
- Existing 2nd may be a community/affordable seconds.
- Existing 2nd may be simultaneously refinanced along with new 1st lien refinance.
- New subordinate financing is not allowed (except for simultaneous refinances as noted above).

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Eligibility Matrix: Non-GSE Refinance Certificate Change Program	
DTI	<p>Maximum DTI does not apply <u>except</u> a maximum 45% DTI is required as follows:</p> <ul style="list-style-type: none"> ▪ P&I on the new refinance loan is increasing 20% or more; or ▪ Ex-spouse Borrower is being removed from the note on the new refinance loan.
Credit Report & Representative FICO	<ul style="list-style-type: none"> ▪ A new credit report is required for every Borrower; and credit information must be developed by combining data from at least two of the national repositories ▪ Minimum representative FICO score does not apply <u>except</u> a minimum 620 representative FICO score is required as follows: <ul style="list-style-type: none"> ▪ P&I on the new refinance loan is increasing 20% or more; or ▪ Ex-spouse Borrower is being removed from the note on the new refinance loan. ▪ A review of the Borrower's new credit history or creditworthiness is <u>not</u> required. ▪ If the new credit report or the new refinance loan application declarations reflect a previous bankruptcy, foreclosure, deed-in-lieu, short-sale or charge-off of mortgage, the waiting periods and re-established credit standards do <u>not</u> apply.
Mortgage Payment History	<p>Mortgage payment history of the existing loan may be documented with a new credit report and must meet the following:</p> <ul style="list-style-type: none"> ▪ Mortgage must be current; ▪ No 30-day or more delinquencies in the most recent 6 months; and ▪ No more than one 30-day delinquency in most recent months 7 through 12.
Employment & Income	<ul style="list-style-type: none"> ▪ For at least <u>one</u> Borrower, the following employment/income verification is required: (*) <ul style="list-style-type: none"> ▪ Verbal Verification of Employment (VVOE) for employed Borrower; or verification of business existence for self-employed Borrower; or ▪ For income other than employed or self-employed income, verification of the source of income is required; or ▪ In lieu of the documentations noted above, 12 months new PITIA reserves must be verified with one recent monthly, quarterly or annual financial statement is acceptable. ▪ Minimum history of income receipt is not required. ▪ 3-year continuance of income is not required. <p>(*) If P&I on the new refinance loan is increasing 20% or more or if an ex-spouse Borrower is being removed from the note on the new refinance loan, additional employment and income documents are required and National MI defers to Fannie Mae's High LTV Refinance and Freddie Mac's Enhanced Relief Refinance documentation requirements.</p>
Form 4506-T	IRS Form 4506-T must be signed by each Borrower with income at or before the new refinance loan closing.
Assets & Reserves	<ul style="list-style-type: none"> ▪ Asset verification is <u>not</u> required (even if funds are needed for closing) <u>except</u> as follows: <ul style="list-style-type: none"> ▪ P&I on the new refinance loan is increasing 20% or more; or ▪ Ex-spouse Borrower is being removed from the note on the new refinance loan. ▪ If asset verification is required, one recent monthly, quarterly or annual financial statement is acceptable. ▪ Reserves are <u>not</u> required to be verified (<u>except</u> a minimum 12 months PITIA verified reserves may substitute for a VVOE not being obtained).
Multiple Financed Properties	There is no limit on the number of financed residential properties.
P&I Increase	<p>There is no limit on the amount the P&I on the new refinance loan may increase. However, if the P&I on the new refinance loan is increasing 20% or more, the following requirements apply:</p> <ul style="list-style-type: none"> ▪ Manual underwrite required (DU[®] and LPA[®] not allowed); ▪ New full appraisal required (with interior and exterior inspection); ▪ Minimum 620 representative FICO score; ▪ Maximum 45% DTI (calculated using the credit report and verified income); ▪ Employment and income must be verified and documented (National MI defers to Fannie Mae's High LTV Refinance and Freddie Mac's Enhanced Relief Refinance documentation requirements); and ▪ Source of funds needed for closing must be verified with one recent monthly, quarterly or annual financial statement (reserves are not required to be verified).

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Eligibility Matrix: Non-GSE Refinance Certificate Change Program	
Property Valuation	Current value must be documented with a new full appraisal (with interior and exterior inspection).
Property Type	<ul style="list-style-type: none"> ▪ No change to the Property type is allowed between the existing loan to the new refinance loan. ▪ All GSE-eligible Property types are allowed. ▪ Properties with C5 or C6 condition ratings or Q6 quality ratings may have an appraisal completed on an "as-is" basis. ▪ Properties affected by a FEMA declared disaster are acceptable without repairs being completed prior to the new refinance note date, provided standard homeowner's and flood insurance requirements are met. ▪ Confirmation that the subject Property is not listed for sale is not required.
Project Warranty	<ul style="list-style-type: none"> ▪ PUD, condo & co-op project warranty for the new refinance loan is not required (*) except as follows: <ul style="list-style-type: none"> ▪ Project not a timeshare or condotel; ▪ Project's liability and fidelity insurances meet GSE requirements; and ▪ If manufactured home or leasehold estates project, then must meet GSE requirements. <p>(*)Note: The Insured is responsible for project eligibility warranty of the existing loan.</p>
Occupancy Type	<ul style="list-style-type: none"> ▪ Primary residence, second home or investment property are eligible. ▪ Occupancy conversions are eligible. (Note: For additional requirements on loans where the occupancy type has converted from a primary residence to an investment property, contact the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F).)
Documentation	<p>Depending upon the MI submission path, submit the following relevant documents:</p> <ul style="list-style-type: none"> ▪ Delegated Loans: <ul style="list-style-type: none"> ▪ Completed and signed National MI High LTV Relief Refinance Certificate Change Request form. ▪ Non-Delegated Loans: <ul style="list-style-type: none"> ▪ Completed and signed National MI High LTV Relief Refinance Certificate Change Request form; ▪ Loan payment history of existing loan (may be documented via current credit report); ▪ Copy of original note on existing loan; ▪ New Loan Application (Form 1003); ▪ New Transmittal Underwriting Summary (Form 1008 – or lender's equivalent underwriting analysis or underwriting summary form); ▪ AUS final reports (DU Findings/LPA Feedback, if applicable); ▪ Current credit report on all Borrowers; ▪ Current employment/income (for at least one Borrower provide VVOE, non-employment income documentation (if applicable), or recent financial statement with 12 months reserves; additional documentation required if new P&I payment increasing >= 20% or if the ex-spouse Borrower is being removed from the note on the new refinance loan; ▪ Current assets (provide if new P&I payment increasing = 20% or if or if the ex-spouse Borrower is being removed from the note on the new refinance loan); ▪ Current Property valuation documentation (new full appraisal); and ▪ Other documents, as applicable.
Age of Documentation	<ul style="list-style-type: none"> ▪ All credit, employment, income and asset documents must be dated within 120 days of the new refinance loan closing. ▪ The appraisal must be dated within 120 days of the new refinance loan closing, <u>except</u> if the appraisal is between 121 days to 6 months old, then an update to the appraisal is required. Once the appraisal is more than 6 months old, a new appraisal is required.
AUS & Non-AUS	New refinance loan may be a Non-AUS or manually underwritten, DU [®] or LPA [®] loan.

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Eligibility Matrix: Non-GSE Refinance Certificate Change Program	
MI Submission for New Refinance Loan	<ul style="list-style-type: none"> ▪ To validate current National MI coverage, please contact the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F). ▪ New refinance loan must be submitted to National MI by an active Master Policy holder. ▪ National MI allows the following MI submission options: <ul style="list-style-type: none"> ▪ For single loan or multiple/bulk loan MI submissions, submit the relevant documents via either: <ul style="list-style-type: none"> ○ ShareFile (our simple and secure file transfer platform); or ○ Secure email communication to GSECertMod@nationalmi.com. ▪ For document delivery via secure email or ShareFile submission, contact the Solution Center at 855-317-4NMI (4664) or solutioncenter@nationalmi.com between 5 a.m. and 5 p.m. PT (M-F). ▪ For single loan delegated MI submissions, complete, sign and submit the National MI High LTV Relief Refinance Certificate Change Request Form. ▪ For single loan non-delegated MI submissions, complete and sign the National MI High LTV Relief Refinance Certificate Change Request Form and submit the form and relevant documents. ▪ For multiple or bulk loan MI submissions, complete and submit the National MI High LTV Relief Refinance Certificate Change Request spreadsheet. ▪ For B2B/EDI transmissions, please contact the Solution Center at 855.317.4NMI (4664). ▪ Please do not cancel or terminate the MI Certificate on the existing loan. ▪ Once National MI has received and reviewed the documents, we will provide the submitting lender with a notification. ▪ Within approximately ten (10) business days of receiving a complete and accurate MI submission, eligible loans will receive an interim replacement National MI Commitment with the same National MI Certificate number. ▪ The interim replacement MI Commitment term is 120-days.
MI Activation of Updated MI Cert	<ul style="list-style-type: none"> ▪ Upon loan closing, fax completed updated MI Certificate with the loan closed date on the new refinance loan; or ▪ Email the loan closed date of the new refinance loan to National MI at servicing@nationalmi.com.
MI Rescission Relief	<ul style="list-style-type: none"> ▪ If an insured loan has qualified for rescission relief prior to the Certificate modification, such relief will continue to apply to the loan following any approved modification of coverage under the Certificate. In summary, the existing loan's MI rescission relief will be transferred over to the approved new refinance loan. ▪ Examples: <ul style="list-style-type: none"> ▪ If the existing loan is on 60-months rescission relief and has achieved 20-months of timely payments, then the approved modified loan would be eligible to achieve 60-month rescission relief if the Borrower continues to make the subsequent 40-monthly payments on time, with their own funds, and subject to satisfying all other terms and conditions of the Master Policy. ▪ If an Independent Validation is completed and early rescission relief is granted to the existing loan, then the new refinanced loan will also have early rescission relief.
Other	<ul style="list-style-type: none"> ▪ All rights under National MI's Master Policy are retained on the new refinance loan and National MI retains the right to review the new refinance loan file (the loans are subject to National MI QC audits). ▪ MI cancellation allowed under the Homeowners Protection Act (HPA) also applies to the new refinance loan.
Questions	<p>Please direct questions to:</p> <ul style="list-style-type: none"> ▪ servicing@nationalmi.com; or ▪ Call the Solution Center at 855.317.4NMI (4664) between 5 a.m. and 5 p.m. PT (M-F).

5.0 Cancellation or Rescission of Coverage

5.1 Coverage Cancellation by Customer

Options to cancel a Certificate:

- National MI's AXIS system;
- Cancel via monthly billing statement;
- Fax completed Cancellation form to 510.858.0341;
- Mail completed Cancellation form to:
National MI, 2100 Powell Street, 12th Floor, Emeryville, CA 94608;
- Electronic notification through Service Bureau BKFS and Fiserv; or
- Email cancellations to servicing@nationalmi.com.

The lender/Servicer should not request cancellation of insurance because servicing has been transferred and/or sold. If National MI were to process a cancellation, the new Servicer would not receive a renewal bill and insurance would terminate.

The proposed effective date of cancellation can be no earlier than forty-five (45) days prior to National MI's receipt of the notice of cancellation.

Note: Please refer to National MI's reinstatement guidelines in [Section 6.0](#) of this Guide if a cancellation occurs in error.

5.2 Cancellations Eligible for Premium Refunds

- Refundable Payment Plans
- Overpayment of Premium
- Homeowners Protection Act (HPA) Cancellations
- Rescissions

Refunds will be issued payable to the lender/Servicer of record in accordance with the Servicer's request.

HPA refunds will be issued as long as the cancellation meets the requirements of the HPA.

If National MI rescinds coverage under a Certificate, the rescission will be retroactive to the Certificate Effective Date, and we will refund all premium paid on the Certificate. Our right to rescind coverage under a Certificate is subject to the provisions of Section 17 of the Master Policy.

If National MI cancels coverage under a Certificate or denies a Claim, we will refund premium paid for the period following the event that resulted in the cancellation or denial.

6.0 Reinstatement of Coverage

MI Commitments are good for 120-days (12-months for construction-to-permanent loans). National MI activates the insurance upon being notified of the loan closing date or receipt of the first premium payment. Upon activation, the Commitment becomes an insurance Certificate. In those isolated instances where a Commitment or Certificate is inadvertently expired, cancelled or terminated, National MI, at its discretion, may reinstate coverage after reviewing the lender/Servicer's reinstatement request.

The following eligibility requirements apply to reinstatements:

- The lender/Servicer must submit a loan-specific cover letter, written request or [Reinstatement Request form](#) explaining why coverage lapsed.
- Eligible reinstatement requests must include the information sufficient to meet the following requirements:

Eligibility Matrix: Reinstatements	
Originating Lender/Servicer	The reinstatement request may be submitted by any of the following: <ul style="list-style-type: none"> ▪ Original Insured, which initially obtained the approved MI Commitment/Certificate; or ▪ Current Servicer or sub-servicer or an affiliate of the Servicer or sub-servicer.
Eligible Types of Reinstatements	The following types of reinstatements will be considered by National MI, provided: (i) The loan complies with National MI's Underwriting Guidelines and the documentation requirements within this section; and (ii) The reinstatement request is received within 12-months of cancellation/expiration/termination date: <ul style="list-style-type: none"> ▪ MI Commitment cancelled or expired; or ▪ Previously in-force MI Certificate cancelled, expired or terminated. (Note: The minimum documentation requirements may vary depending upon various items, including but not limited to, the amount of time that has lapsed and the age of the underwriting documents.)
Documentation	At a minimum, submit the following documents: <ul style="list-style-type: none"> ▪ A loan-specific cover letter, written request or Reinstatement Request form explaining why coverage lapsed; and ▪ For loans that are closed (or for construction-to-permanent loans that are in or have completed the construction phase): <ul style="list-style-type: none"> ▪ The mortgage payment history (and/or the construction loan payment history), as applicable; ▪ Current UPB of existing loan (may be included in mortgage loan payment history); and ▪ Copy of original note on the loan. Depending upon the amount of time that has lapsed, the age of the underwriting documents and other various items, National MI may determine updated and/or additional documentation must be submitted, including, but not limited, the following: <ul style="list-style-type: none"> ▪ Current completed Loan Application (Form 1003); ▪ Current credit report(s) and FICO scores on all Borrowers that meet TrueGuide® Section 3.5.4; ▪ Current employment/income documentation and calculations that meet TrueGuide® Section 3.5.1; ▪ Current asset documentation and calculations that meet TrueGuide® Section 3.5.3; ▪ If the Insured/Servicer submitted the transaction to DU® or LPA®, a copy of the final and valid DU®/LPA® decision (AUS report) must be present in the file and all approval conditions related to the AUS decision must be satisfied in accordance with GSE requirements; ▪ Evidence of Original Value (i.e., appraisal or property valuation from the Origination File (and if the appraisal or Property valuation is more than 120-days aged at time of the reinstatement request for an original 4-month MI Commitment (or more than 12-months aged for a construction-to-permanent 12-month MI Commitment), also submit a current value from a recertification of value or new appraisal); ▪ Other documents, as applicable; and ▪ Additional information or documentation may be required when deemed necessary by National MI.

Please direct questions to servicing@nationalmi.com.

7.0 Servicing Reports

National MI can provide, upon request, various servicing reports to assist in keeping your servicing portfolio current and up to date.

- **Portfolio Audits:** Ad-hoc required lender reports
- **Outstanding Commitment Reports**
- **Pending Expiration Reports**
- **Portfolio Aging Reports**
- **Additional reports as requested**

8.0 Monthly Servicer Reports (aka "MILAR")

Sections 47 and 54 of the Master Policy require Servicers to provide National MI with a monthly servicing report on performing and loans in Default (also see [Section 9.0 Default Reporting](#) of this Guide). National MI relies upon the accuracy and validity of the information contained in the reports submitted by the Servicer and the submission of these reports constitutes a representation by the Servicer that all information is true and complete.

In 2014, the Mortgage Insurance Loan Activity Report (MILAR) was created by the mortgage insurance industry to define a consistent servicing report template and data definitions for Servicers to use to make it easier to meet the Master Policy reporting requirements.

National MI accepts the two industry standard template alternatives (32 and 169 field formats) developed by MILAR or will also accept Servicers' own versions of monthly servicing reports, provided the reports include the relevant and required information. We can also accommodate several secure delivery methods for the required monthly servicing reports.

Please contact MILAR@nationalmi.com for submission options and any monthly servicing report questions.

9.0 Default Reporting

Timely and accurate reporting of loans in Default is (i) essential for effective Default servicing and appropriate loss mitigation activities, (ii) a condition precedent for a Claim payment under the Master Policy and (iii) is required so that National MI can maintain adequate loss reserves.

9.1 Notice of Default (NOD)

If the Borrower fails to make two consecutive loan payments, you must notify National MI by filing a Notice of Default (“NOD”). The NOD must be submitted through the AXIS Servicing website or in writing ([NOD form](#) is available on National MI’s website) prior to the due date of the next loan payment.

The Insured or its Servicer shall provide National MI with written notice within fifteen (15) days after the Insured has knowledge of any dispute relevant to any insured loan or the applicable Property.

Failure to file the NOD within the specified time period may affect the Claim Amount or cause coverage on the loan to be cancelled as outlined in the Master Policy. If you fail to so notify us of the Default, any Claim Amount relating to such Defaulted loan will exclude any interest accrued or Advances paid between the deadline for giving us a NOD and the date you provide notice. If you continue to fail to so notify us for 12 or more months after the deadline for giving us a NOD, we may cancel coverage on the loan. Section 53 of the Master Policy outlines the NOD requirements.

Example: Assume the loan closed and the National MI Certificate is effective on 4/15/20 with the first monthly loan payment due on 6/1/20. The Borrower misses the 9/1/20 monthly loan payment and has not made a payment by 10/15/20. The NOD should be submitted to National MI no later than 11/1/20.

9.2 Monthly Default Status Reporting

Following the initial filing of the NOD, the Insured or its Servicer must give National MI monthly reports by the 25th calendar day of the following month. The monthly reports must include: (i) the status of the loan (see the [Monthly Default Status Reporting Form](#) posted on National MI’s website), and (ii) any servicing efforts undertaken to cure the Default and mitigate the loss or actions taken to pursue or complete the Appropriate Proceedings. The monthly reports must continue until the Borrower is no longer in Default or a Claim is submitted to National MI and National MI issues a decision. A final report must be submitted on the resolution of the Default in the month following the resolution (this is called “curing” the NOD).

9.3 How to Submit NODs and Monthly Default Reports

National MI offers several options for submitting NODs and Monthly Status Reports.

- **Electronic data submissions:** Default reporting may be completed through the AXIS Servicing website or via B2B/EDI channels.
- **Form submissions:** These can be sent via mail, fax, or secured email to defaultreporting@nationalmi.com.

National MI relies upon the accuracy and validity of the information submitted by the Insured or Servicer, regardless of the option selected.

9.4 Renewal Premium after Borrower Default

To maintain coverage, you must pay premium for the period up to the date of a Default. If the Borrower cures the Default, unless you have continued to pay renewal premiums during the period after Default, within sixty (60) days after we are notified of the cure, you must pay any premium owed or coverage under the Certificate for the related loan will lapse. Premiums paid for the period after a Default that results in a Claim will be refunded to you if an Insurance Benefit is paid. Refer to [Section 6.0 Reinstatement of Coverage](#) of this Guide for information regarding application for Reinstatement.

10.0 Mitigation of Loss Efforts

National MI understands that timing can be very critical to the success of loss mitigation activities and we will provide a quick turnaround when our approval is required. In many instances, as described below, National MI approval is not required.

National MI delegates to its approved Servicers the right to approve the following loss mitigation activities:

Loss Mitigation Activities – Delegation of Approval Authority to Servicer							
Investor	Short Sale	Deed in Lieu	Foreclosure Bidding	Loan Modification ³	Payment Deferral	Repayment Plan	Forbearance
Fannie Mae ¹	Yes	Yes	Yes	Yes ³	Yes	Yes	Yes
Freddie Mac ¹	Yes	Yes	Yes	Yes ³	Yes	Yes	Yes
Non-GSE	No ²	No ²	No ²	Yes ³	Yes	Yes	Yes

¹ National MI has delegation agreements in place with Fannie Mae and Freddie Mac, permitting them and their approved servicers to agree to certain loss mitigation activities, without obtaining prior written approval from National MI, so long as the approvals are consistent with the applicable GSE's requirements.

² National MI's prior written approval is required for the applicable loss mitigation activity.

³ Refer to [Section 10.2.2 Loss Mitigation Related Loan Modifications](#) of this Guide for additional details.

National MI has a dedicated email address defaultreporting@nationalmi.com for assistance with delinquent loan servicing. National MI also has a dedicated fax line at 510.858.0343 for delinquent loan servicing requests. All requests received via fax or email address will be routed to the appropriate National MI Default reporting and Claims personnel for review and processing.

10.1 Mitigation of Loss Efforts during Borrower Default

A Servicer must begin servicing efforts by contacting the delinquent Borrower to resolve a Default. Timely and professional Borrower contact can make the difference between continued delinquency and an acceptable Default resolution.

National MI expects the Insured and Servicer to use notices, letters, telegrams, telephone, email, face-to-face contacts, and any other reasonable and prudent techniques to prevent and mitigate loss consistent with generally acceptable standards of servicing then in use in the first-lien residential mortgage industry, including with respect to loans for which there is no mortgage guaranty insurance, but in no event at a standard less than consistent with Fannie Mae or Freddie Mac servicing requirements then in effect and in this Guide.

Default resolution can preserve homeownership for Borrowers and prevent losses. This means that a loan Workout plan such as a deed-in-lieu of foreclosure, a Third-Party Sale (approved by National MI) by the Borrower or any forbearance, modified repayment plan, payment deferral plan or other loan modification must be considered a viable mitigation of loss tool for Borrowers who have the ability and desire to cure the delinquency. The Insured or Servicer professional staff should make every commercially reasonable effort to prevent a mortgage loss from a Borrower's Default. National MI's approval of any Workout or conveyance of Property is not an approval of any Claim or an acknowledgement of Insurance Benefits due.

10.2 Mitigation of Loss Tools

10.2.1 Forbearance Agreements, Repayment Plans & Payment Deferral Plans

National MI encourages Servicers to pursue forbearance agreements, repayment plans and payment deferral plans aimed at giving Borrowers an opportunity to reinstate their loans, to help Borrowers keep their homes and prevent losses, provided there is a reasonable expectation a plan can work for the particular Borrower(s). National MI has delegation agreements in place with Fannie Mae and Freddie Mac, permitting them and their approved Servicers to agree to forbearance agreements, repayment plans and payment deferral plans, without obtaining prior written approval from National MI, so long as the plans are put in place in accordance with the current, published servicing guidelines of the applicable GSE.

10.2.2 Loss Mitigation Related Loan Modifications (aka "Defaulted Loan Modifications")

The Master Policy requires National MI's approval before a loan modification is completed provided certain exceptions where (1) the terms of the loan specifically permit the modification, (2) the modification is required by applicable law, or (3) the modification conforms to Company issued guidelines and/or our approved, in-force delegation agreements.

Loan modifications can be an effective loss mitigation tool to keep loans current or cure a delinquency. A loan modification should be offered on every National MI insured loan when the Borrowers have the financial ability and have expressed a desire to keep their home after the loan is modified. National MI has delegated authority to Fannie Mae and Freddie Mac, and their approved Servicers, to approve most loan modifications without obtaining National MI's prior consent, so long as the approvals are consistent with the applicable GSE's requirements (please see the [Loss Mitigation Activities table](#) above in the beginning of [Section 10.0](#)).

It is important you notify National MI of the change(s), since loan modifications can take many forms (interest rate, loan balance, and/or amortization changes). For example, should you increase the principal balance without National MI's prior approval (as required by the Master Policy), then National MI will not increase our coverage nor pay a Claim based on the non-approved higher principal balance.

Notify the National MI Default Servicing department at defaultreporting@nationalmi.com of all modifications for approval and/or reporting purposes.

Non-GSE loans may be modified with our prior written approval if the proposed modification meets GSE guidelines and **all** of the below requirements:

- The modified rate is equal to, or less than, the original note rate;
- The amortization term may not be shortened and may only be extended up to a grand total of 480 months; and
- Capitalization of past due amounts into the modified principal balance does not exceed 110% of the original loan amount.

If the proposed loan modification does not meet these guidelines, you must submit an approval request to National MI's Default Servicing department at defaultreporting@nationalmi.com.

10.2.3 Loss Mitigation Related Assumptions

The Master Policy requires advance written approval from National MI before a loan is assumed or the Property is transferred. Assumption of the loan by a third party may be an alternative to foreclosure in many circumstances. Notify National MI of the assumption terms for approval, including release or non-release of the original Borrower. Please be prepared to follow the Assumptions instructions per [Section 4.4.1](#) of this Guide.

10.2.4 Advance Claim Payment

In certain circumstances, National MI may agree, in its sole discretion, with the Insured to advance a partial Insurance Benefit (known as a "Claim advance"). National MI's payment of a Claim advance is subject to its approval and any applicable GSE Beneficiary.

The amount of the Claim advance payment will be deducted from any future Insurance Benefit we may pay with respect to the impacted loan.

The Insured is responsible for remitting to National MI the amount of the Claim advance if the Borrower subsequently sells the Property; or the Claim is later denied or curtailed; or coverage under the Certificate is cancelled or rescinded.

10.2.5 Short Sale (Pre-Foreclosure Sales)

National MI recognizes that a potential loss can be minimized by working with distressed Borrowers to negotiate a short sale of the Property once the Insured has pursued all avenues reasonably available to cure the Default, preserve home ownership and reduce the loss. Prudent standards of Workouts are always observed for the benefit of all parties.

National MI has delegated authority to Fannie Mae and Freddie Mac, and their approved Servicers, to approve short sales without obtaining National MI's prior consent, so long as the approvals are consistent with the applicable GSE's requirements (please see the [Loss Mitigation Activities table](#) at the beginning of Section 10.0).

National MI must approve in writing short sales for non-GSE loans. Please provide the following information/documentation necessary to evaluate the sale request:

- Payoff statement/total debt;
- Sales contract and Estimated Net Proceeds;
- Current Property valuation (appraisal or broker price opinion);
- Hardship letter;
- Current financial statement;
- Credit bureau report;
- Financial documents (tax returns, bank statements, etc.);
- Collection efforts to date; and
- Qualifying statement justifying the short sale.

National MI will consider the information with respect to hardship, Claim probability and loss mitigation after reviewing the pre-sale package documentation. We will make every effort to respond to the short sale request within ten (10) business days of receipt of all requested documentation, and if you have not received our response within the ten (10) business days, the request is deemed to be approved. Any approval of a short sale is not an approval of any Claim or an acknowledgement of Insurance Benefits due.

10.2.6 Voluntary Conveyance (Deed-in-Lieu of Foreclosure (D-I-L))

Similar to the decision to approve a short sale, a voluntary conveyance of the Property (deed-in-lieu of foreclosure or D-I-L) may be preferable to foreclosure in terms of mitigating loss for all parties involved. National MI has delegated authority to Fannie Mae and Freddie Mac, and their approved Servicers, to approve deeds-in-lieu without obtaining National MI's prior consent, so long as the approvals are consistent with the applicable GSE's requirements (please see the [Loss Mitigation Activities table](#) at the beginning of Section 10.0).

For non-GSE owned loans, National MI must approve such requests and our prior written approval is a condition of Claim payment. Please provide the same documents required for a short sale for National MI's review along with your deed-in-lieu request.

10.2.7 Promissory Notes

For non-GSE owned loans with Workout terms providing that a cash contribution will be paid by the Borrower or the Borrower will execute a promissory note payable to National MI, then the amount of such cash contribution will be deducted from the Insurance Benefit, or the promissory note must be delivered to National MI's Claim Department at 2100 Powell Street, 12th Floor, Emeryville, CA 94608.

Notify National MI of the terms of any plan for approval. Although our prior approval is not required in most situations, National MI is ready to work with you to develop and approve workable plans. You can submit your request to National MI by emailing defaultreporting@nationalmi.com.

10.3 Third-Party Sale at Foreclosure

A Third-Party Sale should be part of any mitigation of loss plan, since time and ownership risk may increase the ultimate loss after the foreclosure. The Insured or Servicer may agree to a Third-Party Sale at foreclosure for less than the Borrower's full indebtedness only if National MI's prior written approval has been obtained or if the bid is in accordance with National MI's foreclosure bidding instructions set forth in [Section 11.2](#) of this Guide. If a Third-Party Sale occurs without National MI's prior approval when required and National MI determines the sale price was below market value, when we calculate the Claim Amount, National MI will substitute the Estimated New Proceeds for Net Proceeds when calculating the Insurance Benefit in accordance with the Master Policy. The Insured or Servicer should anticipate the market conditions that could result in a better outcome from a modified bidding strategy at the foreclosure sale and must obtain National MI's approval before proceeding with any modified bidding instructions.

10.4 Pre-Claim Sale of Real Estate Owned (REO)

In keeping with efforts to mitigate loss, the Insured or Servicer should list the Property as soon as possible after acquiring Borrower's titled at the foreclosure sale. The Master Policy allows National MI to exercise the Acquisition Option to settle a Claim. The Master Policy permits as long as sixty (60) days to file a Claim in most circumstances (see the Master Policy for exceptions) after completion of a foreclosure sale. Therefore, it may be beneficial to present the Property for sale as early as possible and to obtain National MI's approval on any offers presented prior to filing the Claim. REO sale approval requests must be sent to claimprocessing@nationalmi.com.

If a Property has sustained Physical Damage, depending on whether such Physical Damage was or was not the principal cause of the Default giving rise to a Claim, National MI may exercise certain remedies in the Master Policy to deny the Claim or offset the Insurance Benefit, depending on the Claim settlement option chosen by National MI when it settles such Claims. Sections 31, 32 and 77 of the Master Policy contain additional information regarding Physical Damage. Contact National MI to discuss the matter before initiating restoration to explain and determine the best way to mitigate loss.

11.0 Appropriate Proceedings

The Insured must begin Appropriate Proceedings within the time specified in the Master Policy. Unwarranted delays in pursuing and completing Appropriate Proceedings may result in adjustments to the Claim Amount, in addition to other remedies we may take pursuant to Section 23 of the Master Policy.

Appropriate Proceedings means actions or proceedings appropriate to enforce or satisfy the Borrower's obligations under the terms of a loan, which could include legal action to enforce the terms of such loan, foreclosure proceedings, eviction proceedings, preserving deficiency rights by making a bid at a foreclosure sale and pursuing a deficiency judgment in those jurisdictions where it is customary to do so during the foreclosure proceedings or as National MI may require, acquiring title to the Property, or asserting your interest in the Borrower's bankruptcy proceeding.

You must diligently pursue completion of Appropriate Proceedings once commenced and in compliance with the foreclosure timelines published by the GSE Beneficiaries and conduct Appropriate Proceedings in a way that preserves our deficiency and subrogation rights and your ability to transfer and assign to us your rights against the Borrower.

You must also follow our foreclosure bidding instructions as stated in [Section 11.2](#) of this Guide.

11.1 Appropriate Proceedings Timetable

Please refer to the maximum foreclosure timelines listed in the state foreclosure periods table set out in either Fannie Mae's or Freddie Mac's Servicing Guide, as applicable, we reserve the right to adjust Claims and curtail interest and expenses if Appropriate Proceedings exceed the required timelines, as set forth in Section 23 of the Master Policy.

The Insured or Servicer must diligently pursue the necessary steps to complete Appropriate Proceedings and be prepared to convey good and marketable title to National MI, if it exercises the Acquisition Option.

11.2 Foreclosure Bidding Instructions

Unless otherwise instructed by National MI, in those states where the foreclosure process permits or requires bidding at the foreclosure sale, the Insured shall bid, or cause its Servicer to bid as follows:

- 1) When there is a GSE Beneficiary with respect to the loan, in an amount in accordance with the then-applicable foreclosure bidding guidelines required by such GSE Beneficiary; and
- 2) When the Insured or Beneficiary is other than Fannie Mae or Freddie Mac, in accordance with the following instructions.
 - a) If the current market value of the Property is unknown, the Insured or the Servicer shall make an opening bid at no less than 80% of the Claim Amount plus Advances (if not otherwise included in the Claim Amount) paid as of the date of the foreclosure (collectively, the "Total Debt"). In the event of competitive bidding, the Insured or the Servicer shall continue to bid until it is the successful bidder or until the bidding reaches the Total Debt, whichever comes first.

Appropriate Proceedings

- b) If the current market value of the Property is known, i.e., within the past ninety (90) days the Property has been appraised or has been the subject of a “broker price opinion,” the Insured or the Servicer shall make an opening bid at the lesser of (i) 100% of such known value or (ii) the Total Debt. In the alternative, the Insured or the Servicer may bid a lesser amount if it so desires and such bid amount is permissible under applicable law. In the event of competitive bidding, the Insured or the Servicer shall continue to bid until the Property is sold to a third-party for an amount at or in excess of the known value, it is the successful bidder or until the bidding reaches the Total Debt, whichever comes first.

With respect to all insured loans, in states that allow a Borrower redemption period after the foreclosure sale, the bid shall never be less than the Total Debt (unless state laws require the bidding to start at an amount less than the Total Debt).

Servicers shall be required to receive National MI's prior written consent prior to disregarding these instructions in the event the Insured's or Beneficiary's foreclosure bidding instructions conflict with the above.

Contact National MI's Claims Department at claimprocessing@nationalmi.com if there are questions about the bidding process or any time there are circumstances that require consideration. Examples might include, but not be limited to, situations where a Property has sustained damage from a natural disaster, bidding instructions conflict with a Beneficiary's servicing instructions, or toxic waste has been discovered.

12.0 Bankruptcy

Many of the largest foreclosure losses are from loans that were in bankruptcy prior to and/or during the foreclosure. While often overlooked as potential Workout candidates, bankruptcy Workouts can lead to substantial savings.

A pre-foreclosure Third-Party Sale may mitigate the loss in a situation where the Borrower does not have the desire or intent to keep the Property.

National MI may allow additional interest and expenses on a Claim that aligns with published GSE allowances for foreclosure delays due to bankruptcy.

Notify National MI if the Borrowers are involved in any bankruptcy proceeding, and provide the type of bankruptcy filed, the file date and the date the relief from automatic stay was granted.

13.0 Deficiency Judgments

In the context of residential mortgage servicing, a deficiency is the difference between the amount of the mortgage indebtedness and any lesser amount recovered by the mortgagee from the foreclosure sale. Deficiency laws vary by state.

It is important that the Insured and its Servicer be proficient on local deficiency laws. This may provide leverage to encourage a Borrower to either reinstate or cooperate in a loan Workout. In states where recovering a deficiency from a Borrower is permitted and there are recoverable assets, a deficiency should be established. Depending on the financial profile of the Borrower, consideration should be given to pursuing the Borrower for a deficiency judgment in accordance with the terms of the Master Policy.

As provided in Section 88 of the Master Policy, please contact defaultreporting@nationalmi.com if you wish to discuss pursuit of a deficiency judgment on a particular loan.

National MI reserves the right to pursue Borrowers directly where allowed by state law as described in Section 87 of the Master Policy. These rights should be preserved and protected by the Insured and its Servicer in accordance with this Master Policy section.

14.0 Claim Filing, Processing Timelines & Claim Payment Amount

14.1 Claim Filing Timeframe

In order to file a Claim, one of the following conditions must be met:

- Completion of the foreclosure sale of the Property, regardless of whether certification, confirmation or ratification of the sale has occurred;
- Conveyance of title to the Property by execution of a deed-in-lieu of foreclosure; or
- Closing of a Third-Party Sale by the Borrower.

You must file a Claim within sixty (60) days of the first to occur of the conditions identified above.

14.2 Claim Processing Timeframe

A Claim may be submitted through the following channels:

- 1) Electronic submissions: National MI supports B2B and EDI 260 Claim submissions directly from the Servicer or through service bureaus;
- 2) Filed through the AXIS Servicing website;
- 3) Sent by mail to: National MI at 2100 Powell Street, 12th Floor, Emeryville, CA 94608;
- 4) Sent by email to claimprocessing@nationalmi.com; or
- 5) Sent by fax to: 510.858.0343

Please contact National MI's Default Servicing team at claimprocessing@nationalmi.com with any questions related to available channels for submitting your Claim.

If any of the Core Claim Documents are missing from your Claim, or we require additional information to process the Claim (i.e., your Claim is not perfected with the information submitted with the initial Claim), we will notify you and request the missing or additional information within twenty (20) days of receiving your Claim. However, we will not request, and you will not be required to resubmit, any Origination File information or documents or Closing File information or documents that were previously submitted to us in connection with the Application, Independent Validation or QC Review of the related loan. If we have any additional requests, we will make such requests within ten (10) business days after the Perfected Claim Date. Other than requests for access to a Property, as described in Section 68 of the Master Policy, if we have any such additional requests after the Perfected Claim Date, the Claim Settlement Period will not be extended, and the Beneficiary or Servicer must use reasonable efforts to satisfy the additional requests. We will pursue any investigations related to a Claim expeditiously and in good faith.

If we have not received information we requested after thirty (30) days, we will send you a reminder. Further, we will provide the Beneficiary with a copy of such reminder if requested by the Beneficiary. If a Claim is not perfected within one hundred twenty (120) days of the Claim filing date, unless we and the Beneficiary have agreed to an extension or an extension is required by applicable law or an extension is expressly provided for under Section 67(d), 68(a) or 68(b) of the Master Policy, we will deny the Claim on that basis.

14.3 Curtailment

If you fail to comply with any of National MI's post-origination obligations under the Master Policy in any material respect (as determined by National MI including, but not limited to, your obligations to mitigate loss, obtain National MI's approval of a Workout; or diligently pursue and complete Appropriate Proceedings), we may reduce the Claim Amount by the amount we reasonably determine is the estimated resulting damage as described in Section 23(b) of the Master Policy.

National MI limits delinquent interest and expenses to the foreclosure timelines published by Fannie Mae and Freddie Mac. The foreclosure timelines vary by state. National MI may allow additional interest and expenses at our discretion in cases of Borrower bankruptcy.

Certain expenses are not included as covered Advances under the Master Policy and will be disallowed or curtailed, as applicable, in determining the Claim Amount, as described in Sections 69-71 of the Master Policy.

Examples of expenses that are not claimable as Advances are:

- Mortgage insurance premiums;
- Penalty fees and interest on state and local Property tax payments;
- Homeowner association (HOA) late fees, penalties and interest;
- Any expenditures to remove an exclusion from coverage, such as Physical Damage (unless pending REO sale will mitigate option settlement); and
- REO marketing expenses (unless we are settling a Claim under the Third-Party Sale Option).

14.4 Calculation of the Claim Amount

The Claim Amount is calculated as follows:

Unpaid principal loan balance as of Default date	
<hr/>	
+ Accrued interest due, calculated at the Contract Rate, subject to Section 71(b) of the Master Policy	
<hr/>	
+ Allowable Advances you paid as set forth in Section 56 of the Master Policy, subject to Section 71(c) of the Master Policy	
<hr/>	
– Rents or other payments you received before filing the Claim	
<hr/>	
– Amounts remaining in escrow that you are entitled to as of the last loan payment date	
<hr/>	
– Amount of pledged collateral that you are entitled to	
<hr/>	
– Hazard and other insurance amounts received by you or the Borrower but not applied to the loan or restoration of the Property	
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– Advances that required our approval but were unapproved	
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– Proceeds of eminent domain proceedings (if, and to the extent, not applied to reduce the unpaid principal loan balance)	
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– Proceeds of the amount paid to redeem the Property	
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– The unamortized portion of any financed mortgage insurance premium as calculated in Section 71(d) of the Master Policy, if applicable	
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– Any remaining unused interest buy-down funds, discounts or similar features of the loan	
<hr/>	
= Claim Amount	

The Claim Amount is then used to calculate the Insurance Benefit payable under the Master Policy, which is adjusted in accordance with Section 79 of the Master Policy.

14.5 Claim Documentation

The following is an exhaustive list of the Core Claim Documents that may be required to perfect a Claim (you will not be required to resubmit origination files if previously submitted):

- 1) Loan history from inception of loan (including all Borrower payments, Advances, late charges, paydowns, etc.);
- 2) Evidence of good and marketable title;
- 3) Bankruptcy documents (if applicable);
- 4) Rent or receiver account history;
- 5) Copy of original note;
- 6) Original trust deed or mortgage (collateral instrument);
- 7) Original first lien title policy (if applicable);
- 8) Original purchase agreement;
- 9) Buydown agreement (if applicable);
- 10) Assumption agreement (if applicable);
- 11) Modification agreement (if applicable);
- 12) Expense documentation;
- 13) Closing statement from most recent Property sale (pre-foreclosure sale, Third-Party Sale at foreclosure, REO sale);
- 14) Complete Closing File;
- 15) Complete Origination File;
- 16) Documents pertaining to preservation and/or establishment of deficiency judgment;
- 17) Copy of all foreclosure documents;
- 18) Primary servicing screen print display, including unpaid principal balance, due date, last payment date, interest rate, principal and interest amount, Borrower name(s), Property address, and any additional pertinent loan information;
- 19) Any collateral value information, including broker's price opinions or appraisals;
- 20) Copy of any hazard insurance claim settlements;
- 21) The identity of the Beneficiary under the Policy for the loan; and
- 22) Such other documents as may be specified in this Guide as of the applicable Certificate Effective Date.

15.0 Claim Settlement Options, Supplemental Claims & Appeals

When a Claim is received it will be processed to verify that coverage under the Certificate is in-force and that all documents necessary to perfect the Claim have been received. Final settlement of an adjusted and verified Claim will occur through one of the options below:

15.1 Percentage Option

National MI will pay you the Claim Amount multiplied by the percent of coverage of the loan, as stated on the Certificate, if National MI chooses the Percentage Option. You will retain the title to the Property with a Percentage Option settlement.

15.2 Third-Party Sale Option

Approved Third-Party Sale Within the Claim Settlement Period: National MI will pay either the lesser of: (i) the Claim Amount less Net Proceeds of such Third-Party Sale and less any reduction for Physical Damage or Incomplete Construction; or (ii) the amount calculated under the Percentage Option. Approval for a Third-Party Sale is not required if National MI does not settle the Claim under the Percentage Option or Acquisition Option before the end of the Claim Settlement Period.

Approved Third-Party Sales Not Closed within the Claim Settlement Period: National MI may postpone settlement of the Claim and the Claim Settlement Period will be extended to the 10th business day after National MI receives all the information related to the Third-Party Sale, in accordance with Section 67(e) of the Master Policy. National MI may settle the Claim under the Anticipated Loss Option or the Percentage Option, whichever is less, if the sale does not close within the two hundred ten (210) day period after the Claim was initially filed.

Unapproved Third-Party Sale: National MI will substitute Estimated Net Proceeds for Net Proceeds when calculating the Insurance Benefit if the Third-Party Sale was not approved by National MI and National MI determines that the sale price was below market value when calculating the Claim Amount.

15.3 Acquisition Option

National MI will notify you if we elect the Acquisition Option within the later of sixty (60) days following the Perfected Claim Date and the date we are granted access to the Property (as we may request under Section 68 of the Master Policy). If we do so, we will pay the Insurance Benefit, as calculated below, following receipt of the deed conveying good and marketable title to and possession of the Property. National MI must receive within forty-five (45) days after notification: (i) a recordable but unrecorded deed, customary for the Property location and with customary warranties and covenants, conveying good and marketable title; (ii) possession of the Property; and (iii) any documents necessary to complete the transfer of title of the Property to us. We will send the deed to the Property to be recorded within sixty (60) days of our receipt. National MI will accept title to the Property, free and clear of all liens and encumbrances, and pay the entire verified Claim Amount, less a reduction for Physical Damage or Incomplete Construction, if any, as described in Sections 77 and 78 of the Master Policy.

National MI will settle the Claim under the Anticipated Loss Option described below, if National MI chooses the Acquisition Option and title and possession is not conveyed to National MI within the later of two hundred ten (210) days of filing the Claim and forty-five (45) days after National MI elects the Acquisition Option.

15.4 Anticipated Loss Option

National MI will pay an amount equal to the amount of National MI's anticipated loss calculated by deducting Estimated Net Proceeds from the Claim Amount.

15.5 Supplemental Claims

The Servicer or Beneficiary will be entitled to submit a supplemental Claim for allowable Advances actually paid by the Servicer or Beneficiary if such Advances were (1) incurred prior to the date the initial Claim was submitted, but not included in the initial Claim or (2) incurred after the date the initial Claim was submitted and during any period for which accrued and unpaid interest would be included pursuant to the applicable Claim settlement option as described in Section 71(b) of the Master Policy, or as described in this Guide.

Nothing herein will be deemed to entitle the Servicer or Beneficiary to seek a supplemental or additional payment of anything other than such Advances.

If the supplemental Claim for Advances and all required documentation related thereto are submitted within ninety (90) days after payment of an Insurance Benefit, we will pay any amounts due within sixty (60) days of our receipt of a true and complete supplemental Claim. If the Insurance Benefit is calculated pursuant to the Percentage Option, the Percentage Option will also be used to calculate the amount of any benefit payable under the supplemental Claim.

No exclusion or deduction that reduced the Claim Amount or Insurance Benefit paid on the initial Claim shall be included in any supplemental Claim.

The above does not apply to supplemental Claims submitted in connection with accelerated Claims, as described in Section 62 of the Master Policy.

15.6 Fulfillment of Our Obligations

National MI's liability under a Certificate is fully and finally discharged upon payment of the Insurance Benefit, including any we may pay after we settle a supplemental Claim.

15.7 Claims Payment Options

National MI offers flexibility in providing different Insurance Benefit Claim payment options. National MI recommends signing up to receive an electronic funds transfer (EFT) for the quickest most efficient way to receive Insurance Benefit payments. Electronic funds transfer eliminates the need to process paper checks and provides access to funds in a quicker and more efficient manner.

15.8 Claims/Rescissions Appeals

National MI has established processes for Insureds/Servicers to appeal any Claim curtailment, Claim denial, Certificate cancellation or rescission, consistent with the requirements of Section 91 of the Master Policy. National MI intends to avoid a cumbersome Claim or rescission appeal process, and National MI will work closely with the Servicer and Insured on every Claim and rescission appeal and will communicate in a timely manner throughout the process until resolution.

- 1) The Servicer/Insured must submit in writing a request for reconsideration of National MI's decision to National MI within ninety (90) days of the decision. The reconsideration request must include the

reason the Servicer/Insured does not agree with the decision and any additional supporting documentation to support the appeal. If the complete Claim/rescission appeal request is not properly received within the ninety (90) day period, it will be denied.

- 2) Requests for reconsideration will be reviewed in a timely manner, as required by Section 91 of the Master Policy.
- 3) After reviewing the Servicer/Insured's request and all supporting documentation, National MI will render a decision and notify the Servicer/Insured in writing (which may be via an Explanation of Benefits).
- 4) National MI will communicate its decision in writing to the Servicer/Insured within ninety (90) days after receiving the request for reconsideration.

If as a result of an appeal, National MI reverses its decision to deny or curtail a Claim that is a Perfected Claim or cancel or rescind coverage, National MI will:

- In the case of Claim denial or curtailment of a Perfected Claim, pay any additional Insurance Benefit due within ten (10) business days of National MI's determination to reverse the initial Claim decision; and
 - In the case of a cancellation or rescission, reinstate coverage on the Certificate.
 - If a Claim pending at the time of the cancellation or rescission of coverage was a Perfected Claim, the reinstatement date will be considered a new Perfected Claim Date and National MI will then settle the Claim within the Claim Settlement Period determined on the basis of the new Perfected Claim Date.
- 5) A Claim that was not a Perfected Claim at the time of the denial, rescission, or cancellation of coverage must be perfected upon reinstatement of coverage as required by Sections 66, 67 and 68 of the Master Policy, as applicable.
 - 6) Additional communications and status updates through email or conference calls will be conducted between National MI's Default Servicing VP/Director and the Servicer/Insured as required to facilitate a smooth and timely appeal process.

16.0 Company & Contact Information

16.1 Company Information

National Mortgage Insurance Corporation
 2100 Powell Street, 12th Floor
 Emeryville, CA 94608
 855.873.2584 (o)
 510.858.0341 (f)
www.nationalmi.com

16.2 Contact Information

Policy Servicing	Default Reporting & Claim Department
National Mortgage Insurance Corporation 2100 Powell Street, 12 th Floor Emeryville, CA 94608 855.317.4NMI (o) 510.858.0341 (f) servicing@nationalmi.com www.nationalmi.com/policy-servicing/	National Mortgage Insurance Corporation 2100 Powell Street, 12 th Floor Emeryville, CA 94608 855.317.4NMI (o) 510.858.0343 (f) defaultreporting@nationalmi.com claimprocessing@nationalmi.com www.nationalmi.com/loss-mitigation/

16.3 Self Service:

For additional information regarding our self-service capabilities, or to request an account, please contact National MI's Solution Center department, which is available from 5 AM to 5 PM (PT), Monday through Friday at 855.317.4NMI (4664) or email servicing@nationalmi.com.

Servicing Guide Revision History

17.0 National MI Servicing Guide Revision History

Revision History

EFFECTIVE DATE

REVISION SUMMARY

EFFECTIVE DATE	REVISION SUMMARY
3.1.2020	<p>Version 1.1:</p> <ul style="list-style-type: none"> ▪ Combined the Policy Servicing Guide and the Default Reporting and Claims Guide into one Guide, now named the “Servicing Guide.” ▪ Section 4.4 Changes to the Loan Terms, Property or to Property Ownership: Added more detailed requirements for Assumptions and Partial Releases; added Traditional Modification requirements; and included the Refinance Certificate Change Program requirements. ▪ Section 5.1 Coverage Cancellation by Customer: Added that the proposed cancellation effective date can be no earlier than 45 days prior to National MI’s receipt of the notice of cancellation. ▪ Section 5.2 Refunds for Cancellation or Rescission: Added reference to rescissions and more detailed refund requirements for cancelled Certificates and a denied Claim. ▪ Section 6.0 Reinstatement of Coverage: Added more detailed requirements for reinstatements. ▪ Section 8.0 Monthly Servicer Reports (MILAR): Added section on the Servicers monthly reporting requirements ▪ Section 9.1 Notice of Default (NOD): Updated per the Master Policy. ▪ Section 9.2 Monthly Default Status Reporting: Added final reporting requirements for Defaults. ▪ Section 9.3 How to Submit NODs & Monthly Default Reports: Clarified that National MI may reject incomplete submissions or submissions that do not meet current guidelines. ▪ Section 9.4 Renewal Premium after Borrower Default: Updated per the Master Policy. ▪ Section 10.1 Mitigation of Loss Efforts during Borrower Default: Updated per the Master Policy. ▪ Section 10.2.1 Forbearance Agreements & Repayment Plans: Added procedures for non-GSE owned loans with Workouts allowing Borrower-paid cash contributions or Borrower-executed promissory notes. ▪ Section 10.2.4 Advance Claim Payment: Added reference to rescinded Certificates per the Master Policy. ▪ Section 10.3 Third-Party Sale at Foreclosure: Added Third-Party Sales that are not approved by National MI requirements per the Master Policy. ▪ Section 11.0 Appropriate Proceedings: Updated per the Master Policy. ▪ Section 14.1 Claim Filing Timeframe: Added Claim filing conditions per the Master Policy. ▪ Section 14.2 Claim Processing Timeframe: Added Core Claim Documents requirements per the Master Policy. ▪ Section 14.3 Curtailment: Added reference to reducing the Claim Amount if the Insured/Servicer fails to comply with post-origination obligations under the Master Policy. ▪ Section 14.4 Calculation of the Claim Amount: Updated per the Master Policy. ▪ Section 15.1 Percentage Option: Updated per the Master Policy. ▪ Section 15.2 Third-Party Sale Option: Updated per the Master Policy. ▪ Section 15.3 Acquisition Option: Updated per the Master Policy. ▪ Section 15.4 Anticipated Loss Option: Added new section per the Master Policy. ▪ Section 15.5 Supplemental Claims: Updated per the Master Policy. ▪ Section 15.6 Fulfillment of Our Obligations: Added new section per the Master Policy. ▪ Section 15.8 Claims/Rescissions Appeals: Updated per the Master Policy.

Servicing Guide Revision History

Revision History

EFFECTIVE DATE	REVISION SUMMARY
8.17.2020	Version 1.2: <ul style="list-style-type: none"> ▪ Added COVID-19 Servicer Reporting Requirements section. ▪ Sections 10.0 & 10.2.1 Mitigation of Loss Efforts: Added reference to Payment Deferral Plans.
6.30.2022	Version 1.3: <ul style="list-style-type: none"> ▪ Section 4.4.4.2 Non-GSE Refinance Certificate Change Program: Within the Current LTV/CLTV Eligibility Matrix, changed the 3-4 Unit maximum loan amount to the National MI TrueGuide® maximum loan amount limit. ▪ Section 11.2 Foreclosure Bidding Instructions: When the loan has a GSE Beneficiary, changed to require Servicers follow the GSE foreclosure bidding requirements.