



National Mortgage Insurance Corporation Connecticut State Variation Endorsement to Master Policy Mortgage Guaranty Insurance (AS08.12.01 07 13)

Upon the Company's issuance of this endorsement to the Insured, the Mortgage Guaranty Insurance Master Policy, Form No. AS08.12.01 07 13 (the "Policy") is hereby amended as follows for each Loan and its related Certificate to the extent required by Connecticut law.

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Policy.

1. **Section I. D. Premium.**

Section I.D.4 of the Policy is hereby deleted and replaced in its entirety with the following language:

4. **Renewal.** If the Insured wishes to continue coverage beyond the initial term of this Policy, the Insured or its Servicer shall pay renewal premiums to the Company for each Loan insured under this Policy for which the Insured wishes to continue such coverage, calculated at the rate specified in the related Certificate and in accordance with Section I(D)(7) (Calculation of Renewal Premiums) hereof. The Company shall give thirty (30) days' notice of the renewal due date to the Insured or its Servicer, and renewal premiums shall be due and payable on or before the last day of the period covered by the previous premium payment. The premium billing notice shall be based on the rates and rules applicable to the ensuing policy period as specified in the related Certificate and shall include a notice of transfer when the policy has been transferred from the Company to an affiliate of the Company. These renewal premium billing notice provisions shall apply to any such Certificate for which an annual premium was less than fifty thousand dollars for the preceding annual policy period. For purposes of any commercial risk policy subject to the requirements of Connecticut General Statutes sections 38a-663 to 38a-696, the mailing or delivery of a premium billing notice by the Company's managing general agent shall constitute compliance by the Company. Subject to the Company's rights under Section I.E.4, Section I.G. and Section II of the Policy, the Company may not refuse to renew a Certificate so long as renewal premium is paid in accordance with this Section, and with respect to such Certificate, coverage shall remain in full force and effect for the period covered by the renewal premium. In accordance with the lapse provisions set forth in Section I.D.5., if renewal premium is not received by the Company on or before the Lapse Date, the Company shall within thirty (30) days following the Lapse Date provide the Insured or its Servicer with a non-payment notice, after which the Insured or its Servicer shall have an additional sixty (60) day period from the non-payment notice to pay the applicable renewal premium before coverage shall lapse.

2. **Section I.E. Coverage Term, Cancellation.**

Section I.E.4 of the Policy is hereby deleted and replaced in its entirety with the following language:

4. Certificate Cancellation by Company.

- (a) Subject to Section I(F) (Representations of the Insured), Section I(G) (Company's Remedies for Misrepresentation) and Section I(H) (Limitation on Rescission, Claim Denial and Certificate Cancellation), the Company shall have the right, at its option and to the extent permitted by Applicable Law, and without limitation or waiver of any other rights or remedies available to the Company at law or in equity, to issue a Certificate Cancellation with respect to the related Loan if the Company reasonably demonstrates that any of the Insured's representations made with respect to such Loan were inaccurate at the time they were made and said inaccuracy was Material or if coverage has lapsed under Section I(D)(5) (Lapse) or if the Insured has otherwise significantly breached any of its obligations hereunder in connection with such Loan or related Certificate.
- (b) A Certificate Cancellation issued under this Section I(E)(4) shall be initiated by written notice to the Insured by the Company within thirty (30) days after the Company determines to issue such Certificate Cancellation. The written notice of Certificate Cancellation shall be accompanied by a statement specifying the reason for such Certificate Cancellation and shall be sent to the Insured by registered or certified mail or by mail evidenced by a certificate of mailing or be delivered to the Insured at the address shown in the Policy. A Certificate Cancellation shall be effective on the 61st day after written notice is sent by the Company, unless such breach has been cured in all material respects. In the event a Certificate Cancellation is issued by the Company under this Section I(E)(4), the Company shall return to the Insured or its Servicer all related premium for the time period after the occurrence of the event giving rise to the right of cancellation.

3. **Section I. E.5 Cancellation of Master Policy** is hereby deleted and replaced in its entirety with the following language:

5. Cancellation of Master Policy.

(a) Cancellation of the Policy by the Company

For the avoidance of doubt, once a Certificate has become effective with respect to a Loan, this Policy may not be cancelled by the Company for as long as any Certificate issued under this Policy remains in force. Notwithstanding the foregoing, the Company is under no obligation to issue Commitments or Certificates under this Policy and may cease issuing new Commitments and Certificates without prior notice to the Insured. If there are no Certificates in force under this Policy, the Company may cancel the Policy by giving the Insured sixty days' advance written notice. No notice of cancellation shall be effective unless it is sent to the Insured by registered or certified mail or by mail evidenced by a United States Post Office certificate of mailing, or is delivered by the Company to the Insured by the required date.

Further to the terms of this Section I.E.5 (a) of the Policy, and subject to the provision above that the Company shall not cancel the Policy while any Certificate issued under the Policy remains in force, the State of Connecticut, pursuant to Connecticut General Statutes Section 38a-324(a), requires that the Policy state the following list of reasons for which a policy of commercial risk insurance may be canceled in the State of Connecticut:

- (1) nonpayment of premium;
- (2) Insured's conviction of a crime arising out of acts increasing the hazard insured against;
- (3) discovery of fraud or material misrepresentation by the Insured in obtaining the Policy or in perfecting any Claim thereunder;
- (4) discovery of any willful or reckless act or omission by the Insured increasing the hazard insured against;
- (5) physical changes in the Property which increase the hazard insured against;
- (6) a determination by the Connecticut Insurance Commissioner that continuation of the Policy would violate or place the Company in violation of the law;
- (7) a material increase in the hazard insured against; or
- (8) a substantial loss of reinsurance by the Company affecting this particular line of insurance.

(b) Cancellation of the Policy by the Insured

If the Insured desires to cancel this Policy, it may do so by cancelling all outstanding Certificates that have been previously issued under this Policy, including outstanding Certificates on any Loans that are delinquent, in which case (a) any premium previously paid that is unearned (after application of the Company's cancellation schedule) as of the effective date of cancellation shall be returned to the Insured or its Servicer and (b) any premium earned but not paid as of the effective date of cancellation shall be paid to the Company. In calculating any such premium refund, the Company may net out amounts due to the Company pursuant to this Policy.

This endorsement shall vary, alter, waive or extend any terms, conditions, provisions, agreements or limitations of the above referenced Policy only as noted above.

NATIONAL MORTGAGE INSURANCE CORPORATION

PRINCIPAL OFFICER

SECRETARY