



## National Mortgage Insurance Corporation Maine 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 Maine law.

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

### 1. **Definitions**

The definition of **Rescission** is hereby amended to remove the word "warranties." The remaining language is unchanged.

### 2. **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) 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. 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 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.
- (b) Further to the terms of this Section I.E.5, the State of Maine, pursuant to Title 24-A M.R.S. Sec 2908(2), requires the following list of reasons to which a Policy may be cancelled to be stated in the Policy:
  - 1) Nonpayment of premium;
  - 2) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy or in presenting a claim under the policy;
  - 3) Substantial change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including, but not limited to, an increase in exposure due to rules, legislation or court decision;

- 4) Failure to comply with reasonable loss control recommendations; and
- 5) Substantial breach of contractual duties, conditions or warranties.

Notwithstanding the foregoing, the Policy will only be canceled by us pursuant to Section I.E.5(a) and other terms and conditions of the Policy.

6) **Section IV.C.4 (b)(1) Option to Acquire Loan - Exercise of Option; Insured's Obligations.**

To remove any reference to the term "warranties" and to make conforming changes, Section IV.C.4 (b)(1) is hereby deleted and replaced in its entirety with the following language:

One or more assignments (as shall be necessary or appropriate) to the Purchaser, containing customary representations duly and properly executed and in recordable form, of all of the Insured's ownership right, title and interest in and to the Loan and related documents and, unless otherwise agreed to between Purchaser and the Insured, sale and servicing transfer agreements containing such representations, and covenants as the Purchaser shall reasonably require.

- 7) In the last paragraph of **Section IV.C.4(b)**, the reference to the term "warranty" is hereby deleted and replaced with the term "representation."
- 8) **Section VI. Additional Conditions**

**Section VI.F. Arbitration** is hereby deleted and replaced in its entirety with the following language:

Unless prohibited by applicable law, any controversy or dispute, including any Claim made hereunder, arising out of or relating to this Policy, or the breach, interpretation or construction thereof, may, upon the mutual consent of all parties to the dispute, be settled by arbitration in accordance with the rules of the American Arbitration Association deemed most appropriate by such association, or other such rules as are mutually agreed to by all parties to the dispute, with each party to the dispute paying their own costs and for common costs for the arbitration to be shared equally. For the avoidance of doubt, no provision of this Policy shall be construed to require any Third-Party Beneficiary that is a GSE to submit to arbitration hereunder, and any decision rendered by an arbitrator relating to this Policy shall have no applicability to or be of any force or effect against any Third-Party Beneficiary that is a GSE unless the GSE consented in writing to the arbitration.

9) **Section VI.L Loan Manufacturing Process**

To remove any reference to the term "warranties" and to make conforming changes, **Section VI.L.** is hereby replaced in its entirety with the following language:

The integrity of the Insured's (and Loan Originator's, where applicable) Loan Manufacturing Process is critical to the decision made by the Company to enter into this Policy with the Insured. Therefore review by the Company of the Insured's Loan Manufacturing Process is a critical component of the Company's continued reliance on the Insured's representations under this Policy.

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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**

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PRINCIPAL OFFICER

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SECRETARY

SAMPLE