



COMPARISON OF

2020 Master Policy & 2014 Master Policy

FOR EXTERNAL USE

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2020 Master Policy & 2014 Master Policy

Below is a comparison chart with summaries of the differences between National MI’s 2020 Master Policy, Form No. AS.08.12.01_03.20 (“2020 MP”) and National MI’s 2014 Master Policy, Form No. AS.08.12.01 0713, including any related endorsements (collectively, “2014 MP”). This Chart and the attached Exhibits are not intended to be all inclusive of every difference between the two policies but are intended to provide customers with a reference to the significant differences between the two policies. This Chart and the attached Exhibits should not be used to establish or determine the meaning of either Master Policy, terms of coverage, or any other documents issued by National MI. Please review the relevant Master Policy issued by National MI for the specific terms of coverage. National MI cannot provide legal advice and the below Chart and Exhibits are not intended to provide legal interpretation of the Master Policies. Each customer should seek their own legal counsel in interpreting the Master Policies terms and conditions.

TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Terms and Definitions	1	Definitions	See Exhibit A for information regarding new, removed, or revised terms and definitions in the 2020 MP and any reference to terms and definitions within this Chart.
Duration of Coverage/ Scope of Policy/ Coverage Term	3	I(A) and I(E)(1)	<ul style="list-style-type: none"> 2020 MP allows the 2020 MP to be cancelled by the initial Insured or by National MI upon 10 days’ prior notice or as otherwise required by applicable law and, if the 2020 MP is cancelled it will remain in effect with respect to any Commitment or Certificate issued before cancellation, provided that all required premiums are paid.
Documents that Constitute Our Agreement/Entire Agreement	1 and 4	VI(H) and VI(I)	<ul style="list-style-type: none"> 2020 MP added a definition for “Policy Documents,” (see Exhibit A) which constitutes the entire agreement. However, the documents are no different than the documents that constitute the entire agreement under the 2014 MP. 2020 MP added, “The initial Insured agrees, and by becoming a Beneficiary or a Servicer, any Beneficiary or Servicer agrees, that this Policy may not be used to establish the meaning of any provision of any other insurance policies we have issued, nor may any provision of any other insurance policies we have issued be used to establish the meaning of any provision of this Policy.”
Governing Law	5(a)	VI(E)	Changed the governing law from the State where the Insured named on the Policy is located in the 2014 MP to the State of Delaware in the 2020 MP. However, in the 2020 MP if the State where the policy was issued does not permit Delaware law to govern then the law of that State will govern.

¹ The heading and section names, in some cases, are significantly different between the two policies. National MI has made every effort to reference the appropriate headings and sections and to label the topics appropriately for ease of use.

² “We” “Us” “I” “You” or “Your” used within the Chart and Exhibits are given the same meanings as defined in the 2020 MP.

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Jury Waiver	5(c)	N/A	<p>2020 MP added a provision for jury waiver stating, "THE PARTIES AND ANY SUBSEQUENT INSURED, SERVICER, AND/OR BENEFICIARY HEREBY WAIVE ALL RIGHTS TO A JURY TRIAL OF ANY MATTERS, DISPUTES, OR LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS POLICY OR THE POLICY DOCUMENTS. THIS WAIVER IS INTENDED TO APPLY TO ANY AND ALL MATTERS THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS POLICY. THE PARTIES AND ANY SUBSEQUENT INSURED, SERVICER, AND/OR BENEFICIARY FURTHER REPRESENT THAT THEY HAD AN OPPORTUNITY TO REVIEW THIS JURY WAIVER WITH THEIR OWN LEGAL COUNSEL PRIOR TO CONTRACTING FOR MORTGAGE INSURANCE OR INVESTING IN OR AGREEING TO SERVICE AN INSURED LOAN, AND THAT THIS WAIVER IS KNOWING AND VOLUNTARY."</p>
Communications/Notice	7	VI(D)	<ul style="list-style-type: none"> • Instructions for giving notices is now in National MI's guides. • 2020 MP allows National MI to provide certain notices to Borrowers in accordance with applicable law and copies of notices to a GSE Beneficiary if it requests. • In the 2020 MP, National MI is entitled to rely on a communication that it believes to be genuine and given by an authorized Person, with no liability for reliance.
Delegated vs. Non-Delegated Underwriting	9	I(C)(2) and Delegated Underwriting Endorsement	<ul style="list-style-type: none"> • Delegated Underwriting Endorsement under 2014 MP eliminated and provisions from endorsement incorporated into the framework of the 2020 MP. • New Delegated Underwriting Requirements are in National MI's updated TrueGuide's.
Insured's Responsibilities	11	I(C)(2), I(C)(4)(2), I(F), and Delegated Underwriting Endorsement	<ul style="list-style-type: none"> • To comply with GSE requirements, the 2020 MP added, "In the case of information obtained from an Automated Tool, you must comply with requirements for using such Automated Tool as specified in our Underwriting Guidelines, and you are required to update the Application with any information you have that either verifies or conflicts with the Automated Tool output. In addition, if you discover prior to activation of coverage that any information you previously provided to us has become untrue or incomplete, you are required to submit updated true, complete and verified information."
Representations by the Insured	12	I(F)	<ul style="list-style-type: none"> • 2020 MP added, "all of the representations that the initial Insured made at the time it submitted the Application are still true and complete." • 2020 MP added, "By filing a Claim, you represent that the Claim and all related materials are true and complete and that all conditions precedent to filing the Claim have been met."

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Commitments or Declined Applications/Declination of Coverage	14	Definition of “Commitment,” I(C)(2), I(C)(5), I(C)(6), and Delegated Underwriting Endorsement	2020 MP includes delegated requirements, rather than a separate endorsement.
Retention of Records	1 and 15(c)	I(C)(4)(3) and VI(A)	<ul style="list-style-type: none"> 2020 MP added more specific retention periods as follows: <ul style="list-style-type: none"> two years after settlement of a Claim or the date the Certificate is no longer in force; the period required by your records retention policy; the period required by applicable law; and one year following the last date on which you are permitted to commence an action against us arising out of this Policy. 2020 MP added a new definition for “Servicing File” (see Exhibit A).
Limitations on Our Right to Rescind Coverage (Rescission Relief)	17	I(H) as modified by Amendatory Endorsement	Please refer to the attached Exhibit B and National MI’s Rescission Relief Guide for more information regarding the changes to rescission relief between the two policies.
Exclusions and Other Remedies Generally/ Other Exclusions	16 and 18-40	II, I(E)(4), I(E)(6), I(G)(1), I(G)(3), and VI(G)(5)	Please refer to the attached Exhibit C for more information regarding the changes to exclusions and other remedies.
Responsibilities of Servicer	1 and 42	Definitions and VI(J)(5)	<ul style="list-style-type: none"> 2020 MP added provisions requiring Servicers to obtain GSEs’ consent to perform certain obligations under the 2020 MP, as follows, “If the Beneficiary is a GSE Beneficiary, the Servicer must have such GSE Beneficiary’s consent to manage or dispose of any Property, receive payment of the Insurance Benefit, modify the loan or the Borrower’s obligations under the loan, enter into any agreements with us relating to multiple loans owned by the GSE Beneficiary, or give any consent under this Policy on behalf of the GSE Beneficiary. The Servicer may perform any other acts of a GSE Beneficiary under this Policy without its consent, including agreeing to the resolution of individual Claims.” 2020 MP requires that if a subservicer is servicing a loan, the Servicer shall remain responsible for performing all obligations of the Servicer under the 2020 MP. All statements, acts and omissions of such subservicer shall be binding on the Servicer to the same extent as if made, performed or omitted by the Servicer.
Payment of Premiums	1 and 43	Definitions, I(D)(8), I(D)(9), and I(G)(3)	<ul style="list-style-type: none"> The 2020 MP clarifies that premiums include all related taxes and assessments.

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Timing of Initial Premium Payment/Initial Premium	44	I(D)(1)	<ul style="list-style-type: none"> 2020 MP references National MI's Servicing Guide for details regarding the timing of the initial premium payment instead of including the specific timing details as the 2014 MP does.
Renewal Premiums/ Premiums for Loans in Default	45	I(D)(4) and I(D)(7)	<ul style="list-style-type: none"> 2020 MP revises language regarding cures and adds, "within 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." 2020 MP requires renewal in accordance with National MI's Servicing Guide.
Required Reporting and Notifications/Monthly Insurance In Force Reports	1 and 47	Definitions, III(A), and VI(G)(3)	<ul style="list-style-type: none"> 2020 MP added Servicer representation that all information contained in servicing reports is true and complete in all material respects. 2020 MP added, "If you are aware of a Significant Defect, Single Loan Fraud or Pattern Activity with respect to a loan, you must notify us within 30 days of discovering such information. You also must notify us, and provide us with all related documents, within 30 days whenever a loan is required to be repurchased from a GSE or any other investor. Following our receipt of such documents, we may request additional information to determine whether Section 30 or 36 applies." 2020 MP added definitions for "Significant Defect" and "Single Loan Fraud" (see Exhibit A). 2020 MP revised the definition of "Pattern Activity" (see Exhibit A).
Change of Servicer; Deficiencies in Performance/Revocation of Servicer Approval	49	III(C), III(D), and VI(D)	<ul style="list-style-type: none"> 2020 MP revised the timing requirements, for transferring of loans to an approved Servicer if deficiencies are not corrected, from 90 days to 120 days after notice is given that deficiencies were not corrected within the 60-day notice. 2020 MP added, "Subject to paying premium, coverage under a Certificate will continue uninterrupted when servicing is transferred from one approved Servicer to another approved Servicer. We may cancel coverage under a Certificate or deny a Claim if: on the date of the servicing transfer, the new Servicer is not an approved Servicer or is a Servicer whose approval is limited as described in Section 49(c)(ii) above, unless the servicing of the related loan is transferred to an approved Servicer within 120 days of our notice to the Servicer and, if applicable, the GSE Beneficiary; or effective as of the day after the 120-day deadline stated above in Section 49(c)(i), servicing has not been transferred as required."
Change to Beneficiary/ Change to Insured	50	III(E)	<p>2020 MP added, "No loan transfer or change in the identity of any Insured, Servicer or Beneficiary will affect any of our rights under this Policy, regardless of the knowledge or responsibility of the new Insured, Servicer or Beneficiary relating to matters occurring before becoming an Insured, Servicer or Beneficiary."</p>

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
<p>Workouts; Changes to Property or Loan Terms/ Borrower Contributions/ Voluntary Conveyance/ Short Sale</p>	<p>1 and 51</p>	<p>Definitions, III(F), and IV(D) through IV(G)</p>	<ul style="list-style-type: none"> • 2020 MP added a definition of “Workout” (see Exhibit A). • Voluntary Conveyance, Short Sale, and Borrower Contributions in the 2014 MP are covered under Workouts section of the 2020 MP. • 2020 MP requires approval through an approved delivery method as set forth in the Servicing Guide. • 2020 MP added a provision for approval of a Workout to the Servicer through a National MI executed delegation agreement or under the terms of National MI’s Servicing Guide. • 2020 MP requires Servicer to report a completed Workout to National MI within 30 days after the Workout has been completed. • 2020 MP revises approval requests to be deemed approved after 10 days instead of the 5 days in the 2014 MP for Voluntary Conveyance and Short Sales. • 2020 MP refers to National MI’s Servicing Guide for instruction on how the premium rate will be applied after a loan modification. • 2020 MP added specificity to the apportionment of cash contributions and promissory note payments by Borrowers between National MI and Beneficiaries and GSE Beneficiaries, as the case may be (see Section 51(d) of the 2020 MP). • National MI under the 2020 MP may settle the Claim using the Anticipated Loss Option and the Estimated Net Proceeds will be determined assuming that the sale of the Property closed without Physical Damage, if a Servicer or GSE Beneficiary has approved a Third-Party Sale pursuant to a delegation of authority, and in connection with a related Claim there is Physical Damage.
<p>Notice of Default</p>	<p>53</p>	<p>IV(A)</p>	<ul style="list-style-type: none"> • 2020 MP revised the requirement of notice of Default after 2 consecutive payments in default instead of after 3 as required in the 2014 MP. • 2020 MP added new remedy for extended failure to provide notices of Default, as follows: “If you continue to fail to so notify us for 12 or more months after the deadline for giving us a notice of Default, we may cancel coverage on the loan pursuant to Section 23(b)(iii).”
<p>Monthly Default Reports</p>	<p>54</p>	<p>IV(B)</p>	<ul style="list-style-type: none"> • 2020 MP requires you to submit a final report on the resolution of any Default in the month following the resolution.

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Payment of Advances	1 and 56	IV(J)	<ul style="list-style-type: none"> 2020 MP added a definition of “Advances” (see Exhibit A). 2020 MP revises hazard insurance premiums from “normal and customary” to “reasonable and customary.” 2020 MP added reasonable and customary flood insurance premiums. 2020 MP revised the requirement to pay Advances such that: (i) with respect to taxes imposed on the Property (56(b) of 2020 MP), late fees and other penalties are excluded and (ii) pro-rated portions of shared fees related to common areas (56(d) of 2020 MP) are no longer limited to the extent they are ascertainable by the Servicer.
Appropriate Proceedings	57	IV(H)	<ul style="list-style-type: none"> 2020 MP adds a remedy for servicing failures that is exercised in accordance with Section 23 of 2020 MP.
Loss Mitigation	23 and 58	IV(I)	<ul style="list-style-type: none"> 2020 MP changes standard for mitigating loss to “reasonable and prudent manner” and adds “in no event at a standard less than the GSE-required servicing standards then in effect.” 2020 MP requires you to comply with National MI’s Servicing Guide and any other applicable guidelines to which the Servicer or Beneficiary is subject, and as National MI may otherwise direct. 2020 MP requires mitigation efforts to also include diligent efforts to market any Property for which a Servicer or Beneficiary has obtained title to a Property and the Servicer shall authorize and direct its broker to release to National MI any marketing information concerning the Property that we request.
Foreclosure Bidding Instructions	59	IV(F) and IV(K)	2020 MP defers to National MI’s Servicing Guide for foreclosure bidding instructions.
Eminent Domain	60	VI(C)	In the 2020 MP, documented moving or temporary housing expenses associated with the Borrower’s relocation are not required to be applied to reduce the outstanding principal balance and interest due on the loan.
Filing of Accelerated Claim	62	IV(C)(2)	2020 MP has more specificity on accelerated Claim process requirements and more specificity to what is recoverable in a supplemental Claim filing following settlement of an accelerated Claim. See Section 62 of the 2020 MP for specific requirements and instructions to filing an accelerated Claim.
Claim Advances	63	IV(C)(3) and V(B)	2020 MP requires that if the Claim is later denied or curtailed, or coverage under the Certificate is cancelled or rescinded, you must refund the Claim advance to National MI.
Filing a Claim	64	V(A)(2)	2020 MP directs Claim filing even if redemption period has not expired instead of making it the Servicer’s option as in the 2014 MP.

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Documents Required for Filing a Claim/ Claim Information	1 and 66	Definitions and V(A)(1)	<ul style="list-style-type: none"> • 2020 MP added a definition for “Core Claim Documents” in the Definitions Section with broader categories of what constitutes the Core Claim Documents (see Exhibit A) and adds a reference to specific documents required in National MI’s Servicing Guide. • 2020 MP specifies that a Perfected Claim does not relieve the Insured of its obligations to respond to requests made after a Claim is perfected, and in certain instances, National MI’s additional requests may result in a change to the Claim Settlement Period. • 2020 MP removes definition of “Good and Merchantable” title in the 2014 MP and replaces with requirements for “good and marketable” title under Section 66 of the 2020 MP.
Additional Claim Information Required	67	V(A)(2), V(A)(4), and V(B)	<ul style="list-style-type: none"> • 2020 MP revises the timing requirements with respect to additional information requests (see Sections 67(a) and 67(b) of the 2020 MP). • In the 2020 MP, if a Claim is denied without payment under this section, National MI will have the right to retain all Premium paid in connection with the Certificate. • 2020 MP specifies relevant deadlines with respect to third-party sales prior to and after claim perfection.
Access to the Property	1 and 68	V(A)(4)(b) and V(B)	<ul style="list-style-type: none"> • 2020 MP removes definition of “Access” that is in 2014 MP (see Exhibit A). • 2020 MP removes definition of “Access Unavailable Settlement” that is in 2014 MP (see Exhibit A). • 2020 MP revises the timing for requesting access to the Property to, “If we require access to the Property for any reason, we must request it by the later of the 40th day after a Claim is filed or the 20th day after the Perfected Claim Date, and you must make your best effort to provide it.” • In the 2020 MP, Estimated Net Proceeds in regards to the Anticipated Loss Option will be determined assuming that the sale of the Property closed on the date the Claim was submitted. • 2020 MP added a definition of “Estimated Net Proceeds” (see Exhibit A).
Calculation of the Claim Amount	70	V(A)(3) and Financed Premium Endorsement	<ul style="list-style-type: none"> • 2020 MP revised the Claim Amount calculation (see Exhibit E). • 2020 MP adds a definition for “Contract Rate” (see Exhibit A).

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Additional Requirements for Determining the Claim Amount	71	Definitions, V(A)(3)(a), VI(B), and Financed Premium Endorsement	<ul style="list-style-type: none"> 2020 MP removes the definition of “Default Amount” in 2014 MP (see Exhibit A). 2020 MP removes the definition of “Negative Amortization” in 2014 MP (see Exhibit A), because the 2020 MP does not permit Negative Amortization in the unpaid principal balance, even if permitted in the loan documents. In the 2020 MP, National MI will include in the Claim Amount accrued and unpaid interest through the date we pay an Insurance Benefit (subject to section 71(b)(v)), if an Insurance Benefit is paid under the Anticipated Loss Option. In the 2020 MP, no interest will accrue on the forgiven or forborne amount, if a portion of the unpaid principal balance of the loan has been forgiven or forborne to the end of the amortization period as part of an approved Workout. In the 2020 MP, Advances will be included in the Claim Amount only to the extent that such Advances were in fact paid by the Servicer or the Beneficiary. In the 2020 MP, Advances will be included in the Claim Amount only with respect to the period for which interest is allowed under the 2020 MP, as explained in Section 71(b) of the 2020 MP.
Third-Party Sale Option	1 and 74	V(B)(3)	<ul style="list-style-type: none"> 2020 MP added a reduction to the Claim Amount payable by National MI under the Third-Party Sale Option with respect to Incomplete Construction (see Exhibit F). 2020 MP revised the consequences of an approved Third-Party Sale not closing before the end of the Claim Settlement Period in accordance with GSE requirements (see Section 74 of the 2020 MP).
Acquisition Option	1 and 75	Definition of “Anticipated Loss,” V(A)(1)(c) and V(B)(1)	<ul style="list-style-type: none"> 2020 MP added timing specificity for election of Acquisition Option, “Within the later of 60 days following the Perfected Claim Date and the date we are granted access to the Property (as we may request under Section 68), we will notify you if we elect the Acquisition Option.” 2020 MP added 45-day timing requirements for providing documentation and other items after our election of the Acquisition Option (see Section 75 of the 2020 MP). 2020 MP added a reduction to the amount payable by National MI under the Acquisition Option with respect to Incomplete Construction (see Exhibit F). 2020 MP revised deadline to specify when the Insured must convey title and possession of the Property after we elect the Acquisition Option (see Section 75 of 2020 MP). 2020 MP removed requirement that National MI pay within 5 days of receiving a deed.
Anticipated Loss Option	1 and 76	Definitions and V(B)	The Anticipated Loss Option is now employed to expedite claim resolutions in additional circumstances where there are delays.

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Adjustments for Physical Damage to the Property	1 and 77	Definitions and II(I)	2020 MP changed the definition of “Physical Damage” and how adjustments for Physical Damage are handled (see Exhibits A and D).
Adjustments for Incomplete Construction	1 and 78	II(E)	2020 MP added a definition of “Incomplete Construction” and how adjustments for Incomplete Construction are handled (see Exhibits A, C, and F).
Coordination of Coverage/ Coordination of Benefits	82	III(G)	<ul style="list-style-type: none"> 2020 MP added that the Insured may not carry any duplicate policy on a loan covering the same loss, otherwise National MI will pay the loss on a pro rata basis with the duplicate insurer. 2020 MP added that an Insurance Benefit that otherwise becomes payable will be paid by National MI regardless of the existence of any supplemental or second-tier credit enhancement on a loan.
Supplemental Claims	85	V(A)(2) and IV(C)(2)	2020 MP consolidated disparate references to supplemental Claims from 2014 MP and specified timing and calculation of supplemental Claims and payment of Insurance Benefits (see Section 85 of the 2020 MP).
Required Repayments/ Refund in the Event of Redemption	86	V(C)	<ul style="list-style-type: none"> 2020 MP requirement is applicable to any redemption following a claim settlement and is not limited to redemptions following settlements under the percentage option as it is in the 2014 MP. In the 2020 MP the requirement is applicable to any redemption following a claim settlement and is not limited to redemptions following settlements under the percentage option as is the case in the 2014 MP. 2020 MP added a 60-day deadline for repaying National MI the excess amount and the consequences for failure to repay.
Subrogation	87	V(E) and State Variation Endorsements	Consolidated language in the 2020 MP contained in multiple endorsements to the 2014 MP, for ease of reference.
Pursuit of Deficiency Judgment	88	V(E)	<ul style="list-style-type: none"> 2020 MP includes National MI’s operational process for joint pursuits of deficiency recoveries. 2020 MP specified language limiting the interest and expenses National MI will reimburse.
Preservation of Rights; Return of Insurance Benefits/Parties in Interest; Beneficiaries; Agency	89	VI(J)(3)	2020 MP added language regarding the return of the Insurance Benefit if we determine such Insurance Benefit should not have been paid.
Right to Appeal	91	V(A)(4)(a)(6)	2020 MP specified timing requirements with respect to appeals rather than referring to the Servicing Guide.

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TOPIC ¹	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	SUMMARY OF DIFFERENCE ²
Reinstatement After Appeal	92	V(A)(4)(a)(6)	2020 MP added timing specificity.
Limitation of Actions	94 and Annex A	VI(G) and State Variation Endorsements	<ul style="list-style-type: none"> • 2020 MP specified when the two-year limit for bringing legal action begins to toll (see Section 94 of the 2020 MP). • 2020 MP removed language in 2014 MP providing that no suit or action for recovery shall be sustained unless the Insured has materially and substantially complied with the terms and conditions of the policy, except a suit or action where the issue is whether the Insured materially and substantially complied with the terms and conditions of the policy. • 2020 MP Annex A amends the requirements for certain jurisdictions (see Annex A of 2020 MP for requirements of a specific jurisdiction).
Cancellation of Loan Coverage by You	95	I(E)(2) and VI(J)(5)	<ul style="list-style-type: none"> • 2020 MP specified timing requirements for cancellation, which can be no earlier than 45-days prior to notice. • 2020 MP removed the obligation from 2014 MP to return or destroy the original Certificate, or mark it as “cancelled,” when electronic record-keeping has replaced the manual process.
Refund of Premium	96	I(E)(3)	<ul style="list-style-type: none"> • 2020 MP specifies operational process for refunds after Insured-initiated Certificate cancellations (see Section 96 of 2020 MP). • 2020 MP refers to National MI’s website for refund schedule. • 2020 MP limits refunds to 45-days prior to receipt of notice of cancellation instead of 60-days in 2014 MP and adds, “you will be responsible to return to the Borrower any premium paid to us for the period more than 45 days before the date we received your notice, in addition to any refunded premium you received from us, if applicable.”
State Variations	Annex A	State Variation Endorsements	See Annex A of the 2020 MP for any applicable State variations required to be applied to any of the provisions in the 2020 MP.

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Access		Removed	Covered in Section 68 of 2020 MP.
Access Unavailable Settlement		Removed	Covered in Sections 68 and 76 of 2020 MP.
Advances	The expenses related to a loan that you must pay as described in Section 56 of the Master Policy.	New	Section IV(J) of 2014 MP covered Advances, but it was not defined in Definitions Section of 2014 MP.
Annex		Removed	
Anticipated Loss Option	The settlement of a Claim as described in Section 76 of the Master Policy.	Revised	Termed “Anticipated Loss” in Definition Section and covered under V(B) of 2014 MP.
Applicable Law		Removed	
Automated Tool	A system, process or tool used by us or the initial Insured that we have approved for use in underwriting or validating a loan in accordance with the requirements for such usage described in our Underwriting Guidelines.	New	
Borrower's Title		Removed	
Business Day		Removed	
Cancellation Schedule		Removed	Section 96 of 2020 MP refers to “refund schedule” on National MI’s website.
Certificate Cancellation		Removed	2020 MP covers certificate cancellation, but does not define the term.
Certificate of Occupancy		Removed	
Claim	A request for payment of an Insurance Benefit for a loan submitted in the form and method stated in our Servicing Guide and otherwise in accordance with this Policy.	Revised	2020 MP refers to Servicing Guide for requirements of notice and documents.
Claim Denial		Removed	
Claim Settlement Options		Removed	Claim settlement options are covered under Sections 72-76 of the 2020 MP.
Closed		Removed	

³ For terms that were revised between the 2020 MP and the 2014 MP, only terms with revisions to definitions that change the meaning of the term are listed in this Exhibit. Terms with minor word changes or rephrasing of their definitions that do not change the meaning of the term are not listed in this Exhibit.

⁴ Definitions of terms not included in the 2020 MP are omitted in this Chart. See the 2014 MP’s Definitions Section for definitions of removed terms listed in the Chart.

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Closing Disclosures		Removed	Incorporated into “Closing File” definition of 2020 MP.
Closing File	The following documents, as applicable, in hard copy or electronic form: the final closing disclosure or other settlement statement signed by the Borrower; the signed promissory note with all riders; the signed mortgage or deed of trust with all riders; the title insurance commitment and any other closing documents or information that we would otherwise review at the time of an Independent Validation or Claim (e.g., information required to satisfy underwriting or closing conditions that we have not previously reviewed).	Revised	
Contract Rate	The interest rate on the loan, disregarding any penalty, fee or interest rate increase due to a Default. For an approved Workout, the Contract Rate is the interest rate on the loan following such approved Workout.	New	
Core Claim Documents	All of the following, unless otherwise specified in the Servicing Guide: (i) a completed Claim form and all other information and supporting material required by our Underwriting Guidelines in effect on the Application date for information relating to origination of the loan, and by the Servicing Guide in effect on the date of Default for all other required information; (ii) information demonstrating that title has been acquired by the Servicer, Beneficiary or a third party, if applicable; and, upon request, and if not already provided; (iii) the Origination File; (iv) the Closing File; and (v) the Servicing File.	New	Definition added to Definitions Section of 2020 MP and list previously provided of specific documents required in 2014 MP removed and instead 2020 MP references National MI’s Servicing Guide.
Court Expenses		Removed	Expenses are covered under Section 56 of 2020 MP.
Coverage Percentage		Removed	

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Default	The failure of the Borrower to pay all amounts due in a regular monthly payment period as specified in the loan documents or, if you have exercised a due-on-sale clause under the loan, all amounts due under the loan, but excluding any non-monetary default by the Borrower or a violation of any of the other terms of the loan, even if the violation would permit you to accelerate the debt or foreclose or take other action to take ownership of the security for the loan. A loan is deemed to be in Default as of the close of business on the day that the periodic payment or accelerated payment is due, disregarding any payment grace period. A loan is 30 days in Default if the full payment is not received by the due date of the next regular monthly payment and the Default status advances by an additional 30 days for each successive regular monthly payment that is not paid in full by its due date.	Revised	Added examples to correlate to notice requirements after a Default.
Default Amount		Removed	
Default Reporting and Claims Guide		Removed	Replaced by the "Servicing Guide" in the 2020 MP.
Defect	A misstatement, misrepresentation, omission, or data inaccuracy in connection with the origination or closing of a loan or the Application, as we determine based on Credible Evidence. The only remedy available for a Defect (unless such Defect is a Significant Defect) is as described in Section 43(c) of the Master Policy.	New	Substantially similar to "Misrepresentation" definition in 2014 MP.
Delegated Underwriting Requirements	The specific procedures and processes with which the initial Insured must comply to be eligible for, and maintain eligibility with, our delegated underwriting program. We may change the Delegated Underwriting Requirements at any time by giving notice to the initial Insured or posting the changes on our website.	New	Definition added to Definition Section of 2020 MP. Previously in the Delegated Underwriting Endorsement for the 2014 MP. Please see "Delegated Underwriting Requirements" in National MI's TrueGuide.
Down Payment		Removed	

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Due on Sale Clause		Removed	
Early Default		Removed	
Eligibility Criteria		Removed	
Estimated Net Proceeds	<p>Our reasonable estimate of the gross proceeds of a sale of the Property, assuming the Property were sold to a third party for fair market value and assuming:</p> <p>(i) in the case of Physical Damage, the Property were in the condition it was in on the Commitment date, Reasonable Wear and Tear excepted, less our reasonable estimate of the costs of obtaining and closing such assumed sale; and (ii) in the case of Incomplete Construction, construction of the Property was completed in accordance with the approved plans and specifications and not suffering from any Physical Damage.</p>	New	Corresponds with “Anticipated Loss” concept in 2014 MP.
Exclusions		Removed	
Fannie Mae		Removed	Replaced with the term and definition of “GSE” in 2020 MP.
First Party		Removed	
Freddie Mac			Replaced with the term and definition of “GSE” in 2020 MP.
Good and Merchantable Title		Removed	Covered under Section 66 of 2020 MP.
GSE	The Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, as applicable, and any successor thereto.	New	Replaced terms “Fannie Mae” and “Freddie Mac” in 2014 MP.
GSE Beneficiary	A Beneficiary that is a GSE.	New	
Incomplete Construction	A failure to obtain a certificate of occupancy and to complete construction, rehabilitation or remodeling of a Property in accordance with approved plans and specifications in a good and workmanlike manner, or as indicated in the Original Value.	New	Covered under Section II(E) of 2014 MP. However, 2020 MP handles the concept of “Incomplete Construction” differently than the 2014 MP (see Exhibits C and E).

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Independent Validation	The review of a loan we conduct pre- or post-closing to determine if early rescission relief under Section 17 applies. Independent Validation for the full loan includes a review of the Application and the Origination File (in whole or in part) to confirm that a loan meets the applicable Underwriting Guidelines and that there are no Significant Defects. If you do not qualify for the Closing File submission exception (as specified in our Rescission Relief Guide), Independent Validation also includes a comparison of the Closing File to the Application and Commitment. A QC Review qualifies as an Independent Validation. In the case of early rescission relief applicable only to Original Value, Independent Validation means a review of the Property's Original Value and related materials required to be submitted by our Rescission Relief Guide to confirm that there are no Valuation Defects.	Revised	
Loan		Removed	
Loan Manufacturing Process		Removed	
Loan Originator		Removed	
Loss		Removed	
Material		Removed	Covered under "Significant Defect" definition in 2020 MP.
Misrepresentation		Removed	Covered under "Significant Defect" definition in 2020 MP.
Negative Amortization		Removed	
Net Proceeds	The gross proceeds the Servicer or Beneficiary receives from a Third-Party Sale that we approved, less the reasonable costs of obtaining and closing such Third-Party Sale.	New	Covered under definition of "Actual Loss" in Section V(B)(3) of 2014 MP.

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Pattern Activity	<p>Misstatements, misrepresentations or omissions:</p> <ul style="list-style-type: none"> ● involving three or more loans we insure that were originated by the same initial Insured; ● made, with or without knowledge of the initial Insured, in connection with the origination or closing of the loans, or the Applications, pursuant to a common pattern or activity and that involve at least one party common to all of the loans; ● that constitute Significant Defects; and ● if the initial Insured is the common party, involve the same individual, or if another party is the common party, involve the same individual or entity. 	Revised	
Pattern Party		Removed	Addressed in “Pattern Activity” of 2020 MP.
Perfected Claim Date	Has the meaning set forth in Sections 31(c), 66, 67, 68 or 92 of the Master Policy, as applicable.	New	
Perfected Claim Information	The Core Claim Documents, any additional information we may request pursuant to Section 67 of the Master Policy, and access to the Property, if requested within the time required for requests made prior to Claim perfection in Section 68 of the Master Policy.	New	Covered under definition of “Claim” and Section V(A)(1) of 2014 MP.
Physical Damage	<p>Any injury, physical damage or impairment to a Property that we reasonably estimate to be in excess of the greater of \$5,000 or 2% of the Original Value, whether caused by accident, natural disaster or otherwise, including due to any of the following: physical injury or destruction of tangible property; demolition by any entity; defects in construction, rehabilitation or remodeling; defects in materials; infestation; land subsidence; earth movement or slippage; earthquake; volcanic activity; avalanche; flood, wind, hurricane, tornado; wildfire; any act of God; any event declared a disaster by the Federal Emergency Management Agency or other governmental agency; riot, insurrection, terrorism, civil strife or war; or any Environmental Impairment. The presence of radon gas, lead paint, or asbestos in a dwelling does not constitute Physical Damage.</p>	Revised	2020 MP added “2% of the Original Value” to the threshold (see Exhibit D for how “Physical Damage” is addressed in the 2020 MP).

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Policy Documents	Means the following: 1. Application; 2. Commitment; 3. Certificate; 4. Policy; and 5. Any applicable endorsements to this Policy.	New	
Policy Effective Date		Removed	
Possession of the Property		Removed	
Quality Control		Removed	Covered under “QC Review” in the 2020 MP.
QC Review	A quality control review of an Application or an insured loan that we conduct in accordance with our quality control processes and procedures.	New	Replaced “Quality Control” in 2014 MP.
Reasonable Wear and Tear	Typical deterioration in a Property and its fixtures resulting from normal use, as distinct from Physical Damage, examples of which include, without limitation, carpet and floor wear due to normal traffic, paint wear due to normal use, and roof wear due to age.	New	2020 MP revises definition of “Physical Damage” (see “Physical Damage” definition above).
Rescission		Removed	
Rescission Relief Guide	Our guide or the section of our Servicing Guide and/or Underwriting Guidelines describing the loan types or programs eligible, and documentation and submission requirements for obtaining, early rescission relief as set forth in Section 17(a). We may change the Rescission Relief Guide at any time by notice to the initial Insured or posting the changes on our website.	New	
Rescission Relief Provisions	The provisions of Section 17 of the Master Policy.	New	
Residential		Removed	Covered under the definition of “Property” in the 2020 MP.

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Security	In the case of a cooperative housing unit, the stock or membership certificate evidencing an ownership interest in an organization formed for the purpose of cooperative ownership of real estate, together with the proprietary lease or occupancy agreement from such organization allowing the Borrower exclusive occupancy and use of the Property. References in this Policy to the title, ownership, sale or conveyance of a Property shall, in the case of a cooperative housing unit, mean title to, ownership, sale or conveyance of the Security related to such unit.	New	Covered within definition of “Collateral” in Annex A of the 2014 MP.
Seller		Removed	
Servicing File	All information, in hard copy or electronic form, created, received, required, transmitted, stored or preserved in connection with servicing a loan by or on behalf of each Servicer of the loan, including servicing notes and records, the complete loan payment history, records reflecting the exercise of rights by the Servicer under the loan documentation, records relating to Physical Damage that affects the Property, records relating to loan assumption or Workouts, records relating to agreements with a Borrower or a third party affecting the loan or the Property, and records relating to loan repurchase or indemnification demands, if applicable.	New	Covered under Section (V)(A)(1)(d) of the 2014 MP.
Servicing Guide	Collectively, our guidelines and requirements relating to this Policy for servicing loans, reporting Defaults, paying premiums, cancelling and reinstating coverage, Workouts, and submitting Claims and other information to us, which includes a description of eligible expense items for Claims. Our guidelines and requirements are effective when we issue them, including by posting them on our website, unless we specify a later effective date.	New	National MI’s prior Servicing Guide (which was not defined in the 2014 MP) and Default Reporting and Claims Guide have been combined into one “Servicing Guide” consistent with the 2020 MP definition.
Servicing Report		Removed	

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Significant Defect	<p>A Defect existing on the Certificate Effective Date that is in any respect material to our acceptance of the risk or the hazard assumed under our Underwriting Guidelines in effect when you submit the Application, such that had we known of the Defect we would not have insured the loan, regardless of whether the Defect causes a Default or contributes to the Claim Amount, including for example: (i) the underwriting of the Borrower’s creditworthiness and ability to borrow funds or repay the loan or the Borrower’s eligibility and qualification or the Borrower’s identity; (ii) the underwriting criteria related to the Property or project eligibility, the Property appraisal or the physical or environmental condition of the Property; (iii) loan terms and criteria or any terms and criteria set forth in any negotiated provision; (iv) a life-of-loan exclusion in this Policy for which rescission is a remedy; (v) requirements applicable to the closing and sale of the loan; or (vi) the form and/or execution of required loan and mortgage documents, without which the loan would be ineligible for insurance or the enforceability of the mortgage terms would be limited.</p>	New	<p>Substantially similar to the treatment of a “Material Misrepresentation” in the 2014 MP.</p>
Single Loan Fraud	<p>National MI finds clear and convincing evidence of, or a legal judgment or other legally binding determination confirms, a knowing misstatement, misrepresentation, or omission by any Person in connection with the origination or closing of a loan, or the Application, that was intended to: (i) defraud any party involved in the transaction; or (ii) obtain any insurance, money, funds, credits, assets, securities, or other properties from any party involved in the transaction by means of fraudulent pretenses, representations, or promises. Single Loan Fraud includes a Valuation Defect where there is clear and convincing evidence that the appraiser manipulated, inappropriately utilized or misrepresented information in producing the appraisal report that established the Original Value.</p>	New	<p>2014 MP covers concept under Section I(H)(1)(c) and 2020 MP adds “clear and convincing” evidentiary standard.</p>

Comparison of Terms and Definitions in Master Policies

TERM ³	DEFINITION ⁴	NEW, REMOVED, OR REVISED	SUMMARY OF DIFFERENCE
Third-Party Beneficiary		Removed	2020 MP covers concept under definitions of “Beneficiary” and “GSE Beneficiary.”
Underwriting Review		Removed	Covered under “Independent Validation” in the 2020 MP.
Uninhabitable		Removed	
Uninsured Casualty		Removed	
Valuation Defect	Means (i) a percentage variance of 15% or more between the Original Value and the opinion of market value for the subject Property as determined by a licensed appraiser in an appraisal report prepared at our request as of the date of the Original Value in compliance with industry standard appraisal practices, or another generally accepted industry standard for retrospective valuation, and (ii) the loan-to-value ratio calculated as of the Certificate Effective Date using the retrospective value did not meet our Underwriting Guidelines applicable to the loan. The percentage variance is the quotient determined by dividing the difference between the two values by the Original Value, expressed as a percentage. A Valuation Defect is a Significant Defect.	New	Covered under Section I(H)(2)(c) of the 2014 MP.
Voluntary Conveyance		Removed	Covered under the definition of “Workout” in the 2020 MP.
We, Us, or Our	The insurer, National Mortgage Insurance Corporation, an authorized mortgage guaranty insurance company, and its successors and assigns.	New	
Workout	A deed-in-lieu of foreclosure, a Third-Party Sale by the Borrower or any forbearance, modified repayment plan, or other modification of a loan.	New	The 2020 MP combines into one defined term various loan workout and loss mitigation activities that are addressed in different sections of the 2014 MP.
You or Your	The Insured and the Servicer, unless specified otherwise in any section of this Policy to mean only one of those parties.	New	



Comparison of Limitations on Right to Rescind Coverage in Master Policies (Rescission Relief)

RESCISSION RELIEF OFFERED	2020 MP	2014 MP	SUMMARY OF DIFFERENCE
Rescission Relief with Independent Validation	Available	Available with 12-payment condition	Under the 2020 MP, we offer earlier rescission relief with Independent Validation (see the requirements for early rescission relief for non-delegated and delegated loans in National MI's Rescission Relief Guide).
12-month Rescission Relief	Under Non-Delegated Closing Document Exception	Available	12-month rescission relief in 2020 MP available under non-delegated closing document exception (see National MI's Rescission Relief Guide for more information).
36-month Rescission Relief	Available	Available	Available in the 2020 MP and 2014 MP (see National MI's Rescission Relief Guide for how 36-month is applied to non-delegated and Delegated loans). Under the 2020 MP, a loan may achieve 36-month rescission relief even after a Workout as a result of a natural disaster that caused the related Default.
60-month Rescission Relief	Available	N/A	<p>2020 MP added:</p> <ul style="list-style-type: none"> ● 60-month limitation. With respect to a loan that has not qualified for rescission relief under Section 17(c), 17(d) or 17(f) of the 2020 MP, National MI will not rescind coverage under the Certificate on account of a Significant Defect on or after the due date of the 60th payment if both of the following conditions are met: <ul style="list-style-type: none"> • either the loan is not in Default, or if the loan is in Default, it subsequently becomes current; and • all payments due on the loan have been made with the Borrower's Own Funds. <p>See National MI's Rescission Relief Guide for more information.</p>

Other Additions to the 2020 MP Regarding Rescission Relief:

- Absence of Significant Defect following Independent Validation:
 - If National MI has completed an Independent Validation and has not identified Credible Evidence of a Significant Defect with respect to a loan, it will not rescind coverage under the Certificate on account of a Significant Defect (whether or not the loan is in Default). Under the 2020 MP this is now effective upon our notification regarding the outcome of the Independent Validation.
 - Added to the 2020 MP - If you qualify for the closing document exception set forth in our Rescission Relief Guide, and you did not submit the Closing File for the Independent Validation of a loan, the rescission relief under Section 17(c)(i) of the 2020 MP will not be effective unless the borrower has made the first 12 loan payments on time from the Borrower's Own Funds.
 - Added to the 2020 MP - If our notice of the outcome of an Independent Validation indicates that we were unable to resolve concerns regarding the Borrower's occupancy of a Property, then the rescission relief under Section 17(c)(i) of the 2020 MP will be effective with respect to a Significant Defect relating to Borrower's occupancy of the Property only if the Borrower has made the first 12 loan payments on time from the Borrower's Own Funds and we have not previously notified you of a Significant Defect relating to occupancy.



Comparison of Limitations on Right to Rescind Coverage in Master Policies (Rescission Relief)

Automated Tools:

- The 2020 MP added that National MI cannot rescind coverage on account of a Significant Defect based on inaccurate results obtained from an Automated Tool approved by National MI. See Section 17(f) of the 2020 MP for more information.

Additional Document Requests:

- The 2020 MP added that after the conditions for rescission relief described have been met, National MI will not request additional information from the Insured to investigate a potential Significant Defect.

Rescission Relief following a Workout or Refinance:

- The 2020 MP added, to the extent a loan qualifies for rescission relief under the 2020 MP: (i) such loan will continue to qualify for such relief following any Workout National MI approves; and (ii) the rescission relief will apply to any modification of coverage under a Certificate effected in connection with a refinance of the loan insured under such Certificate.

Comparison of Exclusions in the Master Policies

EXCLUSION ⁵	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	NEW OR REVISED	REMEDY	SUMMARY OF DIFFERENCE
Data Inaccuracies	18	N/A	New	Rescission	<p>2020 MP added that National MI may rescind coverage under one or more of the affected Certificates if any inaccurate data was submitted by or on behalf of the initial Insured in the Applications, if and to the extent such data inaccuracies:</p> <ul style="list-style-type: none"> • involve five or more loans insured by us and originated by the same initial Insured; • involve the same delivery data element(s); • differ from the information in the initial Insured or Insured's loan files used as the basis for the Application; and • we determine that, had the information from the loan files been used to qualify the loans, such loans either: (i) would have been ineligible for insurance under this Policy; or (ii) would have been eligible for insurance, but only under different terms or pricing. <p>The only data inaccuracies covered by the above are those that occur as a result of an operational or system issue involving the electronic transmission of data to National MI.</p>
Excess Insurance Benefit	21	N/A	New	Reduction of Claim Amount	<p>The 2020 MP added, if the Claim Amount exceeds the amount of consideration that the Beneficiary paid to acquire the loan, National MI may reduce the Claim Amount by the amount of such excess. However, this does not apply to a GSE Beneficiary.</p>
Failure to Comply with Applicable Law	22	I(C)(4)(1), I(F)(1), I(G)(1), and II(H)	Revised	Rescission, Cancellation, or Reduction of Claim Amount	<p>The 2020 MP added new language to comply with GSE requirements. Please see Section 22 of the 2020 MP for specific provisions and what qualifies for rescission, cancellation, or a reduction of the Claim Amount, regarding failures to comply with applicable law.</p>
Failure to Comply with Conditions and Insured's Obligations	23	I(C)(4), II(F), II(H), III(A), IV(A), IV(B), IV(H), V(A)(4)(b), V(B), and VI(A)	Revised	Reduction of Claim Amount, Cancellation, Claim Denial, or Rescission	<ul style="list-style-type: none"> • 2020 MP consolidated remedies in the 2014 MP for Insured's breach of conditions and obligations into one section of the 2020 MP, most of which is consistent with the 2014 MP. Please see Section 23 of the 2020 MP for specific provisions and what qualifies for rescission, cancellation, claim denial, or a reduction of the Claim Amount, regarding failure to comply with conditions and Insured's Obligations. • 2020 MP added, "If you fail to notify us of a Significant Defect, Single Loan Fraud or Pattern Activity or a repurchase request with respect to a loan within 30 days as required under Section 47, we may cancel or rescind coverage under the Certificate(s) for the affected loan(s). If a Claim on any such loan has been submitted, we may deny the Claim." • 2020 MP added cancellation or claim denial remedies for failure to provide required information or to maintain records.

⁵ The heading and section names, in some cases, are significantly different between the two policies. National MI has made every effort to reference the appropriate headings and sections and to label the topics appropriately for ease of use.

Comparison of Exclusions in the Master Policies

EXCLUSION ⁵	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	NEW OR REVISED	REMEDY	SUMMARY OF DIFFERENCE
Incomplete Construction	27	II(E)	Revised	Claim Denial or Reduction of Claim Amount	<ul style="list-style-type: none"> Under 2014 MP, no coverage was permitted during the construction phase and there was an exclusion for any claim resulting from a Default during that period. The 2020 MP only allows for coverage during the construction phase as long as the Default is caused by a covered mortgage guaranty insurance risk. Adjustments that may be required are covered in Section 78 of the 2020 MP. See Exhibit F for more information regarding when Incomplete Construction requires a Claim denial versus a reduction of the Claim Amount and how the reduction is calculated.
Loan Acquired by Natural Person	28	N/A	New	Cancellation or Claim Denial	All policyholders must be financial institutions. 2020 MP requires that if the Insured or Beneficiary of a loan, at any time, is or was a natural, individual person (i.e., not an entity), National MI may cancel coverage under the Certificate for such loan as of the date such Insured or Beneficiary acquired the loan, or if a Claim has been submitted, may deny the Claim.
Non-residential Property	29	II(C)	Revised	Rescission, Require Restoration of Property, Reduction of Insurance Benefit, Reduction of Claim Amount, or Claim Denial	2020 MP added a provision that if the property met the definition of Property on the Certificate Effective Date but not when the Claim was filed, National MI may exercise one of four remedies if the change adversely affected the use, marketability or value of the property (see Section 29 of the 2020 MP for remedies).
Pattern Activity	1 and 30	Definitions, I(G), and I(H)(1)(d)	Revised	Rescission	2020 MP revised the definition of “Pattern Activity” (see Exhibit A).
Physical Damage as Principal Cause of Default	1 and 31	II(I)	Revised	Claim Denial or Restoration of Property	2020 MP revised the definition of “Physical Damage” and revised the framework of the Physical Damage exclusion (see Exhibits A and D).
Physical Damage that is Not the Principal Cause of Default	1, 32 and 77	II(I)	Revised	Reduction of Claim	2020 MP revised the definition of “Physical Damage” and revised the framework of the Physical Damage exclusion (see Exhibits A and D).

Comparison of Exclusions in the Master Policies

EXCLUSION ⁵	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	NEW OR REVISED	REMEDY	SUMMARY OF DIFFERENCE
Significant Defect	1 and 35	I(G)(1), I(H), and Amendatory Endorsement	New	Rescission or an Offer of an Alternative to Rescission	<ul style="list-style-type: none"> 2020 MP replaces “Credible Evidence of a Material Misrepresentation” standard in 2014 MP with “Credible Evidence of a Significant Defect” standard. 2020 MP adds a definition of “Significant Defect” (see Exhibit A).
Single Loan Fraud	36	I(G), I(H)(1)(c), and I(H)(2)	New	Rescission	<ul style="list-style-type: none"> 2020 MP replaces, “Material Misrepresentations by a First Party”, in the 2014 MP with “Single Loan Fraud.” 2020 MP adds a definition of “Single Loan Fraud” (see Exhibit A). The exclusion will not be limited under the Rescission Relief Provisions except as described in Section 17(g) of the 2020 MP.
Unapproved Servicer	39	II(G) and III(D)	Revised	Cancellation	2020 MP provides that Insured has 120-days to transfer after cure period instead of Insured having a minimum of 90 days to transfer after cure period in 2014 MP.
Unapproved Resale Restrictions	30		New	Rescission	In the 2020 MP, National MI may rescind coverage under the related Certificate, if a Property is subject to an unapproved resale restriction (as indicated in National MI’s approval letter to the initial Insured or our Underwriting Guidelines).

Comparison of Treatment of Physical Damage in Master Policies

TOPIC	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	NEW OR REVISED	SUMMARY OF DIFFERENCE
Definition	1	Definitions	Revised	In order to qualify as Physical Damage, the damage must be in excess of the greater of \$5,000 or 2% of the Original Value (see Exhibit A).
Exclusion: Physical Damage as Principal Cause of Default	31	II(I)	Revised	<ul style="list-style-type: none"> ● 2020 MP provides that National MI may deny a Claim if the “principal” cause of the Default giving rise to such Claim is Physical Damage instead of “proximate” in 2014 MP. ● 2020 MP provides that exclusion may arise if damage occurs on or after issuance of the Commitment instead of after the Certificate Effective Date in the 2014 MP. ● 2020 MP includes an objective test to determine when “Physical Damage” is deemed the principal cause of Default (see “How to Determine when Physical Damage is Deemed the Principal Cause of the Default” below). ● 2020 MP establishes the circumstances under which restoration of the Property will cure the exclusion (see “When Restoration of the Property Will Cure the Exclusion and When it Will Not Cure the Exclusion” below).
Exclusion: Physical Damage that is not the Principal Cause of Default	32 and 77	II(2)	Revised	2020 MP added language providing that, if the principal cause of the Default is not Physical Damage, and National MI is able to estimate restoration costs, we may reduce the Claim Amount if we elect the Acquisition Option, Third-Party Sale Option, or under certain circumstances, the Anticipated Loss Option (see “Adjustments for Physical Damage to the Property” below).

How to Determine When Physical Damage is Deemed the Principal Cause of the Default

Physical Damage will be deemed to be the principal cause of the Default if all of the following are true:

- As of the Claim submission date, the Borrower has not restored the Property to a condition no worse than its condition on the Commitment date, Reasonable Wear and Tear excepted;
- Either (1) the Property lacked hazard insurance covering loss arising out of the Physical Damage, or the proceeds or amount of the hazard insurance coverage were insufficient to restore the Property to a condition no worse than its condition on the Commitment date, Reasonable Wear and Tear excepted, or (2) the Property had sufficient hazard insurance covering loss arising out of the Physical Damage, but the Borrower or Servicer did not submit a claim, submitted a claim but has not received the proceeds of the claim, or received the proceeds of the claim but the proceeds were not applied to restore the Property;
- National MI reasonably estimates the restoration costs will exceed 20% of the Original Value (Reasonable Wear and Tear excepted); and
- The Default occurred after the Physical Damage occurred or manifested itself.

Comparison of Treatment of Physical Damage in Master Policies

When Restoration of the Property Will Cure the Exclusion and When it Will Not Cure the Exclusion

Claim Will Not Be Denied:

- If National MI notifies you that we intend to deny a Claim pursuant to Section 31 of the 2020 MP and within 60 days thereafter you notify us that you intend to restore the Property to a condition no worse than its condition on the Commitment date (Reasonable Wear and Tear excepted) and you complete the restoration within 180 days after you notify us of your intention to restore the Property,⁶ or
- If prior to expiration of the 180-day period you provide evidence reasonably satisfactory to us that restoration is in progress (such evidence may be a signed statement of work to perform the restoration of the subject Property), National MI will extend the time to complete restoration to one year after you notified us of your intention to restore the Property and you restore within the 1 year period.^{7,8}

Claim Will Be Denied:

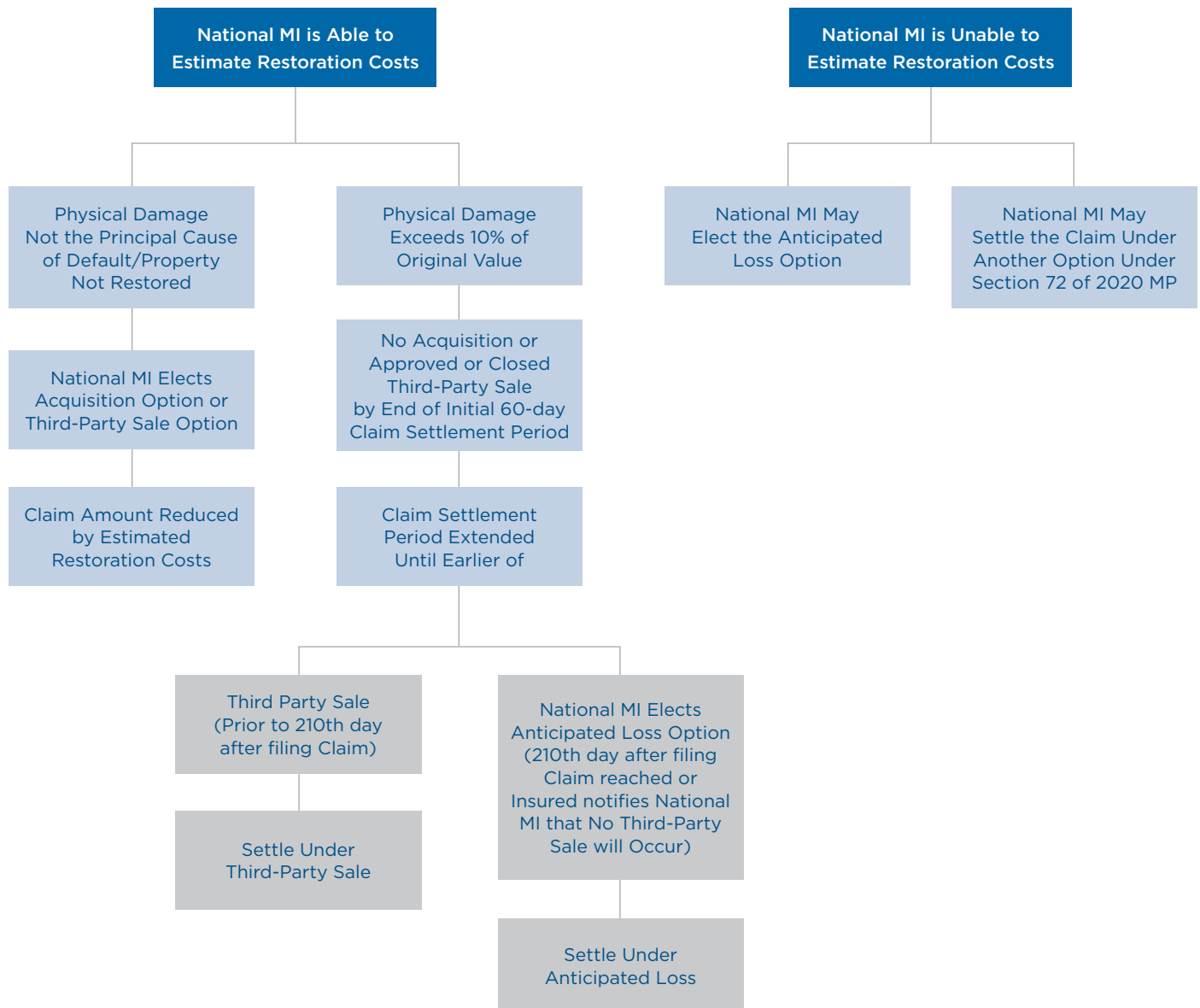
If the restoration period is not extended because you do not provide satisfactory evidence that restoration is in progress within the 180-day period, or if the restoration period is extended but the Property is not restored within one year after you notified us of your intention to restore the Property.

⁶ No interest or Advances will be payable for the period between when we notify you of our intention to deny the Claim and when you notify us that the restoration has been completed, regardless of which Claim settlement option we choose.

⁷ No interest or Advances will be payable for the period between when we notify you of our intention to deny the Claim and when you notify us that the restoration has been completed, regardless of which Claim settlement option we choose.

⁸ If you are restoring the Property pursuant to Section 31(c) of the 2020 MP and a Third-Party Sale occurs, the restoration must be completed within the applicable time period set forth above and the Perfected Claim Date will be the date we receive satisfactory evidence that the restoration was completed.

Adjustments for Physical Damage to the Property



Calculation of Claim Amount
in 2020 Master Policy

The Claim Amount is calculated as follows:

	Unpaid principal loan balance as of Default date
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+	Accrued interest due, calculated at the Contract Rate, subject to Section 71(b)
<hr/>	
+	Allowable Advances you paid as set forth in Section 56, subject to Section 71(c)
<hr/>	
-	Rents or other payments you received before filing the Claim
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-	Amounts remaining in escrow that you are entitled to as of the last loan payment date
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-	Amount of pledged collateral that you are entitled to
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-	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), if applicable
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-	Any remaining unused interest buy-down funds, discounts or similar features of the loan
<hr/>	
=	Claim Amount
<hr/>	

Comparison of Treatment of Incomplete Construction in Master Policies

TOPIC	2020 MP SECTION REFERENCE	2014 MP SECTION REFERENCE	NEW OR REVISED	SUMMARY OF DIFFERENCE
Definition	1	N/A	New	See Exhibit A .
Exclusion: Incomplete Construction	27	II(E)	Revised	<ul style="list-style-type: none"> ● 2020 MP allows for activation of coverage during construction phase unlike the 2014 MP. ● 2020 MP added Claim denial if the principal cause of the Default giving rise to a Claim is Incomplete Construction. ● 2020 MP added that Incomplete Construction is deemed to be the principal cause of the Default if the Default was caused by any reason other than a Borrower credit-related event (e.g., a failure of any builder, contractor, or trade to complete construction of the Property in a good and workmanlike manner and in accordance with the agreed plans and specifications; mismanagement of construction draws; or disputes between the builder, contractor, or trade and the Borrower). ● 2020 MP added for a reduction of the Claim Amount if Incomplete Construction was not the principal cause of the Default giving rise to a Claim. ● 2020 MP added that National MI may reduce the Claim Amount as described in Section 78 of the 2020 MP (see below).
Clarifications on Adjustments for Incomplete Construction	78	N/A	New	<ul style="list-style-type: none"> ● 2020 MP added, “If we are able to reasonably determine the estimated costs to complete construction in the case of Incomplete Construction, we may reduce the Claim Amount by the amount of such completion costs. In establishing the cost to complete the Property, we may either obtain an estimate from an independent third party of our choosing or rely on third party estimates provided by the Servicer or Beneficiary. If we choose our own third-party estimate, we will provide a copy of it to you upon request. You have the right to appeal the amount deducted for Incomplete Construction in accordance with Section 91 or choose to complete construction of the Property yourself.” ● In the 2020 MP, National MI may exercise the Anticipated Loss Option or settle the Claim under another option pursuant to Section 72 of the 2020 MP, if National MI is unable to reasonably determine the estimated costs to complete construction.