

# New 2020 Master Policy



## FREQUENTLY ASKED QUESTIONS

### Why did National MI issue the new 2020 Master Policy?

The 2020 Master Policy is designed to provide transparency of coverage and to further align the timing of National MI's rescission relief with the timing of the GSE's and the Federal Housing Finance Agency's relief under their rep and warrant framework. National MI worked together with the member companies of US Mortgage Insurers, our trade group, the FHFA and the GSEs to design the 2020 Master Policy with consistent policy terms and conditions.

### When is the 2020 Master Policy effective?

The 2020 Master Policy will be effective for all mortgage insurance applications National MI receives on or after March 1, 2020. All current National MI Master Policy holders will be activated automatically.

### What happens with Certificates issued prior to March 1, 2020 under previous Master Policies?

Certificates issued for loans insured under previous Master Policies will continue to be insured under the previous policy terms and conditions.

### Where can I find a copy of the 2020 Master Policy?

The 2020 Master Policy and related documents can be found on the Master Policy Resources page of National MI's website. [nationalmi.com/master-policy-resources/](https://nationalmi.com/master-policy-resources/)

### How do I confirm activation under the new Master Policy?

You were previously sent the new Master Policy and following correspondence instructing you whether you had to sign the Master Policy and return it to National MI or if no further action was required. Please follow the instructions in the correspondence previously sent. Please contact your National MI Sales Advisor if you have any questions.

### What rescission relief options will be available under the 2020 Master Policy?

For a quick glance, please see the Rescission Relief Chart on the Master Policy Resources page linked above.

### What is Independent Validation of a delegated loan?

It is a loan review that National MI will conduct post-closing for eligibility for rescission relief under *SafeGuard Plus* – our early rescission relief option for delegated loans. The review includes reasonable processes to assure there are no Significant Defects. The full list of required documents can be found here: [nationalmi.com/wp-content/uploads/2020/02/National-MI-Rescission-Relief-Guide-1.0-Effective-2020-03-01.pdf](https://nationalmi.com/wp-content/uploads/2020/02/National-MI-Rescission-Relief-Guide-1.0-Effective-2020-03-01.pdf).

### What type of relief may be available, if National MI performs quality control audits of our loans?

National MI performs periodic QC Reviews that qualify as Independent Validations. The loan may be granted early rescission relief if no Significant Defects are found during the review. Please see the Rescission Relief Guide at [nationalmi.com/wp-content/uploads/2020/02/National-MI-Rescission-Relief-Guide-1.0-Effective-2020-03-01.pdf](https://nationalmi.com/wp-content/uploads/2020/02/National-MI-Rescission-Relief-Guide-1.0-Effective-2020-03-01.pdf) for more information on the QC Review process and rescission relief.

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## FREQUENTLY ASKED QUESTIONS (CONT.)

### What is the closing doc exception?

The closing doc exception is available for non-delegated loans under our 2020 Master Policy for participating lenders in SafeGuard – our 12-month rescission relief option. With 12 timely payments from the borrower's own funds, no closing documents are required to be submitted to obtain rescission relief. All non-delegated lenders will be initially eligible to participate.

### Do loans need to be in compliance with National MI's Rescission Relief Guide?

Yes, to achieve rescission relief under the new Master Policy, an insured loan must meet all underwriting and applicable terms and conditions set forth in National MI's Rescission Relief Guide.

### When am I required to report a Default?

The 2020 Master Policy requires a Notice of Default ("NOD") to be sent to National MI after 2 consecutive payments are in Default. National MI must receive the NOD prior to the due date of the next loan payment.

### Does the 2020 Master Policy contain life-of-loan exclusions?

There are life-of-loan exclusions that all rescission relief is subject to. Please refer to the 2020 Master Policy for details. [nationalmi.com/master-policy-resources/](https://nationalmi.com/master-policy-resources/)

### What can trigger a rescission for loans insured with National MI?

Subject to rescission relief, National MI may rescind coverage of a loan when there is a Significant Defect. In addition, there are other life-of-loan exclusions in the 2020 Master Policy that survive rescission relief and permit National MI to rescind coverage if the circumstances described in Sections 18-40 of the 2020 Master Policy arise. The Master Policy Holder (MPH) will have an opportunity to respond to findings and provide additional documentation to cure and/or reduce the severity of any finding. If the MPH cannot resolve the finding, National MI Servicing will then process a rescission in accordance with Master Policy requirements, which provide the Insured/MPH with an additional opportunity to appeal the findings post-rescission. National MI does not

currently offer an alternative to rescission when a Significant Defect is discovered.

### If I have questions about the 2020 Master Policy and/or rescission relief options, whom should I contact?

The National MI Solution Center or your Account Manger can assist you with Master Policy and rescission relief questions.



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