



National Mortgage Insurance Corporation Maryland 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 Maryland law.

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

1. **Section I.D.6. Transfer, Seizure or Surrender of Servicing** is hereby deleted and replaced in its entirety with the following language:

Notwithstanding the foregoing, if the renewal premium attributable to a Loan is not paid by the Lapse Date described in Section I(D)(5) (Lapse) above, and such Loan is among a group of Loans whose coverage has lapsed due to the transfer, seizure or surrender of the servicing for such Loans, the Company shall permit the Insured to reinstate coverage of the Loans contained in the group that are insured under this Policy, provided that the following conditions are met: (i) the Insured shall reinstate coverage with respect to all Loans insured under this Policy affected by such transfer, seizure or surrender and (ii) the renewal premiums are paid, in all events, no later than one hundred twenty (120) days after the applicable premium due date.

2. **Section I.E.3. Refund of Premium upon Cancellation** is hereby deleted and replaced in its entirety with the following language:

Upon receipt of a cancellation request, for coverage having refundable premiums, the Company shall refund the appropriate portion of the premium pursuant to the Cancellation Schedule in accordance with the rules and rates filed with the Maryland Insurance Administration, as is then published on the Company's website at www.nationalmi.com or published in the Company's Underwriting Guidelines. However, no refund shall be remitted if a Notice of Default has been submitted, unless the Insured or Third-Party Beneficiary, as the case may be, waives its rights to the Insurance Benefit with respect to such Loan, and no refund shall be made retroactively effective more than sixty (60) days from the date of receipt by the Company of a cancellation notice from the Insured or its Servicer. The Company reserves the right to collect any unpaid or deferred premiums due at the time of cancellation. Cancellation of coverage for a Loan will not cancel this Policy.

3. **Section I.E.4. Certificate Cancellation by Company** is hereby deleted and replaced in its entirety with the following language:

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. A Certificate Cancellation issued under this Section I(E)(4) shall be initiated by written notice within thirty (30) days after making such determination from the Company to the Insured. Cancellation of coverage under the Certificate Cancellation shall be effective on the 46th day after notice is sent by the Company via certificate of mail or commercial mail delivery service, 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.

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

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 with 45 days' prior written 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 in accordance with the rules and rates filed with the Maryland Insurance Administration) 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.

5. **Section I.G.1 Company's Remedies for Misrepresentation** is hereby deleted and replaced in its entirety with the following language:

Subject to paragraph I(H) (Limitation on Rescission, Claim Denial and Certificate Cancellation), if any of the Insured's representations as described in paragraph I(F) (Representations of the Insured) are determined by the Company based upon its review of Credible Evidence to be Misrepresentations with respect to a Loan, and the Company reasonably relied upon any such Misrepresentation, the Company will, to the extent permitted by Applicable Law, issue a Rescission under any Certificate effective at commencement of coverage of that Certificate (or if the Misrepresentation occurs with respect to continuation of coverage upon assumption of a Loan, to rescind as of the date of such continuation).

6. The last sentence of **Section VI.L.2 Loan Manufacturing Process** is hereby deleted and replaced in its entirety with the following language:

If the Company determines that the Insured has not been complying with the responsibilities of the Insured in Section I(C)(4) and I(F)(1) hereof, has not performed in accordance with the Company's counterparty approval expectations, or otherwise has not complied with the terms of the Policy, the Company has the right, at its discretion and depending upon the incidence and nature of the lack of compliance, to escalate unresolved issues, and to take such other remedial action as the Company deems reasonable and appropriate, including but not limited to, (a) making product or underwriting guideline revisions, (b) refusing to accept new Applications for mortgage insurance after 45 days' prior written notice to the Insured or (c) refusing to issue new Certificates or Commitments to the Insured after 45 days' prior written notice to the Insured.

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