



## National Mortgage Insurance Corporation Vermont 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 Vermont law.

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

1. **Section I.D.4 Renewal** 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 forty-five (45) 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. 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.
  
2. **Section I.E.4 Certificate Cancellation by Company** 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 certified mail, or by certified mail or certificate of mailing where the reason for such Certificate Cancellation is for nonpayment of premium. Unless the breach giving rise to a Certificate Cancellation has been cured in all material respects, such Certificate Cancellation shall be effective on the 46th day after written notice is sent by the Company, or where such Certificate Cancellation is for nonpayment of premium, on the 16th day after written notice is sent by the Company. 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. The first paragraph of **Section V.B. Company Options for Payment of Insurance Benefit** is hereby deleted and replaced in its entirety with the following language:

Within the Claim Settlement Period, but only if the Insured has satisfied all requirements for payment of Loss and if the Company has received a Perfected Claim, the Company shall determine whether and to what extent an Insurance Benefit is owed under the Policy and shall, at its sole option, exercise one of the options below and pay as the Insurance Benefit to the Insured or the Third Party Beneficiary no later than 10 working days from the date the Company has received a Perfected Claim either:

4. **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.

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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