

Default Management Servicing Guide

June 2011

Genworth 



**Genworth Mortgage Insurance
Homeowner Assistance Program
Default Management Servicing Guide***

June 2011

***This document replaces Section G of Genworth's *MI Servicing Manual*. Other sections of the *MI Servicing Manual* are being updated to current processes and procedures and will be issued.**

Genworth Mortgage Insurance underwriters include:
Genworth Mortgage Insurance Corporation
Genworth Residential Mortgage Insurance Corporation of North Carolina
Genworth Residential Mortgage Assurance Corporation

Table of Contents	Page
1) Overview	1
a. Summary	1
b. Non-Compliance	1
c. General Servicing Requirements	1
d. Default Servicing Requirements	2
i. Early Delinquency Contact	2
ii. Workouts	2
iii. Foreclosure	3
iv. Bankruptcy	4
v. Imminent Default	4
2) Servicer Workout Delegation	4
3) Loss Mitigation Workouts	5
a. Workout Package and Documentation Requirements	5
b. Retention Workouts	5
i. Modification	5
ii. Repayment Plan	6
iii. Forbearance Plan	7
iv. Other Investor Retention Programs	8
v. Borrower Assistance Program	8
c. Liquidation Workouts	10
i. Short Sale	10
ii. Deed-in-Lieu Of Foreclosure	11
4) Genworth Servicer Assistance Program	11
5) Resources and Contact Information	12
6) Glossary of Terms	13

Exhibits

- Foreclosure Times and Redemptions by State
- Required Workout Documentation

1) Overview

a) Summary

Effective default servicing and loss mitigation is required of all Servicers under the Policy. Effective servicing may avoid Foreclosure, reducing losses to Genworth and the Investor. Servicers must actively cooperate with and assist Genworth in preventing and mitigating losses.

Mitigating Losses – Servicers must make reasonable and good faith efforts to cure the default and, if all such attempts are unsuccessful to effectuate the early disposition of the Property. Servicer shall consider, all available Workout opportunities and minimize Foreclosure and Bankruptcy timelines and associated Claimable expenses.

Servicer Requirements– Servicers must follow all requirements set out in this Guide, even where Genworth’s requirement is more stringent than the Investor requirement. In addition, Servicers must adhere to applicable Investor guidelines for default servicing and Workout activities. In the absence of applicable Investor requirements, use the Fannie Mae servicing requirement. Servicers are required to act in good faith to mitigate insured losses and must act in accordance with the applicable standard of care for servicing delinquent loans in the mortgage industry.

This *Default Management Servicing Guide* was prepared to collect and document current practices and procedures that we have communicated to you. Please replace the current Section G to the Genworth *Servicing Manual* with this Section G. In the future, all other sections of the *Genworth Servicing Manual* will be updated and distributed to you. Any updates in this Section will be noted by the “updated date” at the bottom left of each page.

This Guide applies to all Loans except those insured for a Federal Home Loan Bank, State Housing Finance Authority (including CalHFA) and non-primary Loans. For servicing of such Loans, refer to applicable investor guidelines and Genworth previously agreed upon specific servicing requirements. Notwithstanding the foregoing, Servicers for these portfolios are required to act in good faith to mitigate insured losses and must act in accordance with the applicable standard of care for servicing delinquent loans.

b) Non-Compliance

Failure to strictly adhere to any of the requirements of this Guide may result in denial or curtailment of any claim.

c) General Servicing Requirements

- Genworth requires Servicers to have adequate management and staff who are properly trained to carry out their assigned default servicing and loss mitigation duties. Servicers must maintain adequate servicing systems that are capable of maximizing Servicer performance and have the ability to provide adequate reporting on status and results of default servicing and loss mitigation activities.
- Servicers must maintain written policies and procedures that meet or exceed Investor and industry standards in addition to the other requirements set forth herein and in the Policy.
- Servicers must service Genworth-Insured Loans to at least the same standards of other similar Loans in their portfolio (including uninsured Loans). Genworth-Insured Loans must receive at least the same priority as other Loans in the serviced portfolio. Loans Insured by Genworth must

receive the same priority and frequency with respect to outreach campaigns, Workout opportunities, or otherwise.

- Genworth reserves the right to audit and review the Servicer's staffing, training and hiring plans, systems readiness and all internal servicing related policies and procedures. Further, Genworth reserves the right to audit individual Loans to determine prioritization and compliance to all applicable servicing requirements for each Loan.

d) Default Servicing Requirements

i) Early Delinquency Contact (including collection and Workout)

The primary objective is to make contact with the Borrower, assess the Borrower's situation and collect the past due payment(s), if possible. If collection or reinstatement is not possible, the Borrower must be considered for all available Workout options. Servicer must comply with all the following:

Servicer must make first phone call to the Borrower within 15 calendar days of the initial past due date.

Servicer must issue payment reminder notice at 15-20 calendar days from initial past due date.

Servicer must engage in ongoing communication attempts – Minimum 2 calls per week until Borrower contact, or account resolution.

If a successful resolution is not accomplished, continuous attempts must be made at least monthly to contact the Borrower to determine if their situation has changed and if a resolution is possible.

Calling attempts should be made on various days of the week and various times of day.

Calls may be made using auto dialers, but the Servicer must engage in manual calling attempts if the Borrower cannot be contacted by the 15th calendar day of the second month of delinquency (for example, if a Loan is due for the March 1 payment, manual dialing must begin no later than April 15).

If Borrower cannot be contacted before the last calendar day of the second month of delinquency, skip tracing procedures must be implemented to locate the Borrower so that contact may be established.

At 4 payments past due without contact, the Servicer must engage a door knocker service that must be deployed within 30 calendar days with at least one visit sequence (generally three attempts at contact), unless the property is vacant, or not accessible.

The Servicer must initiate Property inspections no later than when the Loan becomes 4 payments past due.

ii) Workouts

As soon as there is Borrower contact and the Loan is deemed to be uncollectible according to the existing terms of the Promissory Note, the Servicer must evaluate all available Workout options. In any event, the Servicer must evaluate the Borrower for available Workout opportunities no later than when the Loan becomes 3 payments past due.

Genworth requires that Borrowers be considered for Workouts in the following order:

- First: Retention Workouts – (modification, payment plan, etc.) Results in the Loan becoming current and the Borrower retaining the home.

- Second: Liquidation Workouts – (short sale, deed-in-lieu, etc.) Results in the Liquidation of the Loan. The Servicer should consider a Liquidation Workout only if a Retention Workout fails or if a Retention Workout is considered, but the Borrower does not qualify or refuses to cooperate in any Retention Workout.

Genworth requires that Servicers respond to Borrower requests or interest for a Workout within 10 calendar days, supplying adequate direction and documentation to the Borrower in order to enable the Borrower reasonably to initiate the Workout.

The Servicer must diligently and timely monitor and review all incoming Workout documents, including:

- collecting all necessary documents to evaluate the Borrower for a Workout,
- evaluating documents received against Investor and/or program requirements, and
- following up for missing, or incomplete documents at least weekly until conclusively resolved.

From the time a complete Workout package is received, Servicers must complete the Workout assessment, obtain any required approvals and provide the Borrower with a decision within 30 calendar days.

If a short sale offer is received, the Servicer must approve, reject, or counter the offer within 15 calendar days of receipt of the offer. The Servicer's decision to approve, reject, or counter the offer, should be based on current property values and sales contract parameters. Subsequent counter offers must be responded to within 3 business days.

Please see **Sections 2 and 3** for detailed descriptions of Workout Delegation, and Workout submission procedures and instructions.

iii) Foreclosure

Before any referral to Foreclosure, the Servicer must ensure that reasonable attempts and diligent efforts have been made to contact the Borrower and offer all possible Workout alternatives.

If a Loan remains Past Due for a period of 6 consecutive months, Genworth requires the Foreclosure process to be initiated (legal action commenced). For example, if the Loan is due for January 1 payment, the foreclosure action must commence by June 2. Genworth requires that Servicers commence Foreclosure earlier, however, if so required by the Investor's guidelines.

If the property has been abandoned, or if no Workout is possible, the Servicer is instructed to commence Foreclosure as early as permitted under state law. No further written instruction is required from Genworth.

Genworth reserves the right to direct the Servicer to commence Foreclosure proceedings earlier.

Genworth requires Servicers to consider Workout and Foreclosure as a "dual track" process, meaning that both should proceed independently. Foreclosure must be diligently pursued and in any event, Genworth requires Foreclosures to be completed within Genworth Foreclosure timelines established by state (see Resources, Section 5 of this Guide). If a Foreclosure action extends beyond Genworth's allowed timelines, submit a chronological listing of events to explain the delay if a Claim is filed. Foreclosure may be stopped within 30 calendar days of Foreclosure sale to pursue reasonable loss mitigation, or Workout opportunities.

iv) Bankruptcy

Genworth requires Servicers to minimize the time a Borrower is in Bankruptcy and the Loan is affected by such Bankruptcy, by expeditiously preparing required documentation.

Servicers must obtain a lift of stay at the earliest possible opportunity, but no later than 4 months after filing a Chapter 7 or 6 months after a default on a Chapter 11 or 13 plan.

Servicers must resume collection and Workout activity within 10 calendar days after obtaining a lift of stay, discharge, or dismissal from Bankruptcy, as permitted by law.

If the Borrower cannot be contacted, does not wish to or cannot make ongoing payments, or cannot qualify for a Workout, Servicers must resume Foreclosure within 30 calendar days after receipt of the lift-of-stay, discharge or dismissal from Bankruptcy (but not later than 60 calendar days after issuance of the court order).

Notwithstanding a Bankruptcy filing, Servicers must pursue Workout opportunities when allowed under Bankruptcy laws by working through the Borrower's legal counsel.

During the course of a Chapter 13 Bankruptcy, Servicer must contact the trustee monthly to follow up on the status of ongoing payments.

v) Imminent Default

If a Borrower has communicated a valid Hardship to the Servicer and is not currently delinquent, Genworth requires Servicers to pursue all available Workout opportunities. Servicers must ensure that reasonable diligence is applied to exclude "strategic default" Borrowers who have the means to continue making payments.

If a Borrower has the means to continue payments, but no longer desires the property, or to continue making mortgage payments, Servicers should counsel the Borrower on the importance of continuing payments and the consequences of Foreclosure. If the Borrower still does not wish to continue making payments, Servicer must consider a Liquidation Workout to mitigate losses, with appropriate Borrower contribution, based on the Borrower's financial situation.

2) Servicer Workout Delegation

All Workouts must be approved by Genworth using one of these three approval options, and, if applicable, Genworth's approval must precede any notification of approval to the Borrower:

1. the existing Servicer Workout Delegation granted by Genworth,
2. submitting the request to Genworth for individual case-by-case review, or
3. submitting the case through Genworth's automated Workout approval system.

All individual Loans that do not fit the parameters of the Genworth Workout Delegation must be submitted to Genworth for case-by-case review.

All Genworth Servicers have broad-based Workout Delegation, including Retention and Liquidation Workout types (unless otherwise notified). If a Servicer would like to have specific Workout programs considered, please submit to Genworth for approval. A copy of the current Workout Delegation can be obtained by contacting Genworth Action Center at action.center@genworth.com or 800 444.5664.

As a condition to the Servicer Workout Delegation, Servicers must report Workout status (approved, completed and failed) on a monthly basis (at minimum) using a template or format approved by

Genworth. A copy of the standard approved template for Workout reporting can be found at <https://miservicing.genworth.com/DelegatedWorkout/Default.aspx>

Failure to report Workout status within 30 calendar days of status change may result in exclusion of coverage, Claim denial, or curtailment, or revocation of Servicer Workout Delegation.

For Liquidation Workouts, Genworth has provided a comprehensive calculator to assist the Servicer in determining if a Workout meets the current Delegation requirements.

Please contact Workout Delegation Team at delegatedlossmit@genworth.com or 800 261.2015 for details and any questions on the Servicer Workout Delegation.

3) Loss Mitigation Workouts

a) Workout Package and Documentation Requirements

Borrower Workout Package – A Workout package should generally consist of the following documents submitted by the Borrower:

- Financial statement
- Explanation of Hardship
- Proof of all income (paychecks, tax returns, rental income, etc.) and
- If property is listed, copies of listing agreement signed by all parties

Genworth has a Workout package which is available to Servicers, as needed. Please contact Genworth Homeowner Assistance Program at 800 455.0871 for a copy and more information.

A copy of Genworth Workout documentation by Workout type is included in Resources, Section 5 of this Guide.

Documentation – In addition to the original Workout package submitted by the Borrower, all information and notes obtained during the review and processing of the Workout must be retained. Examples of information and notes that must be retained include, but are not limited to, the following categories:

- All Servicer notes reflecting conversations and correspondence with Borrowers, realtors, vendors and other parties
- History of offers and counteroffers on short sales
- Credit bureau reports
- Property valuations

b) Retention Workouts

i) Modification

Definition – Loan modifications generally provide for capitalization of past due payments and adjustment of one or more terms of the mortgage to make the payment more affordable to the Borrower. Mortgage terms that may be adjusted include, but are not limited to, a change in (i) unpaid principal balance (increased to capitalize arrearages or reduced for principal forgiveness), (ii) Loan rate, (iii) Loan term and (iv) principal forbearance.

Purpose- A modification should be offered in every case when permitted by the Investor. Modifications are completed using the US Treasury's Home Affordable Modification program

(HAMP) or any other proprietary modification program allowed by the Investor and approved by Genworth.

Delegation – All HAMP modifications are delegated to the Servicer (with certain reporting required by Genworth). Other modifications may be delegated to the Servicer (see Delegation parameters). Common Delegation exceptions include, but are not limited to, principal reduction and pre-Claim advances (unless specifically arranged with Genworth). Servicers must report Workout status (approved, completed and failed) on a monthly basis (at minimum) using a template or format approved by Genworth.

Submission – Requests for non delegated approvals must be submitted by secure means to Genworth Homeowner Assistance. Workout packages can be mailed, faxed or emailed for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance Program
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

Email

HOA@Genworth.com

Secure Submission

<https://MIservicing.genworth.com>

Contact: Genworth Homeowner Assistance Program at 800 455.0871

ii) Repayment Plan

Definition – Repayment plans allow the Borrower to bring the Loan current by paying a portion of the Past Due amount over a pre-agreed period of time. Repayment plans should never exceed 12 months unless prior written approval is given by Genworth...

Purpose- Repayment plans are used when the Borrower has a Hardship and falls behind on mortgage payments. The Hardship is now resolved and the Borrower can bring the Loan current using an agreed-upon payment schedule.

Delegation – Repayment plans up to 12 months are delegated. Servicers must report repayment plan status (approved, completed and failed) on a monthly basis (at minimum) using a template or format approved by Genworth.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth's Homeowner Assistance Program. Workout packages can be mailed, faxed or emailed for review.

Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance Program
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

Email

HOA@Genworth.com

Secure Submission

<https://MIservicing.genworth.com>

Contact: Genworth Homeowner Assistance Program at 800 455.0871

iii) Forbearance Plan

Definition – Forbearance plans allow the Borrower to bring the Loan current at an agreed point in the future. The method of bringing the Loan current should be determined at the outset of the plan. Forbearance plans generally should never exceed 6 months unless prior written approval is given by Genworth.

Purpose- Forbearance plans are used to avoid Foreclosure when the Borrower will have the means to bring the Loan current or pay off the Loan at a pre-determined point in the near future. Examples would be awaiting insurance proceeds for a total property loss, or a Borrower beginning a new job on a specific date.

Delegation – Forbearance plans up to 6 months are delegated. Servicers must report forbearance plan status (approved, completed and failed) on a monthly basis (at minimum) using a template or format approved by Genworth.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth Homeowner Assistance. Workout packages can be mailed, faxed or emailed for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance Program
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

Email

HOA@Genworth.com

Secure Submission

<https://MIservicing.genworth.com>

Contact: Genworth Homeowner Assistance Program at 800 455.0871

iv) Other Investor Retention Programs

Definition – Occasionally, Investors announce other retention Workout programs. To confirm whether your Investor's program has been approved by Genworth, contact your Servicer Relations Representative at servicerrelations@genworth.com.

Purpose- Used to cure the Loan.

Delegation – Individual Delegation decision is made on each Workout program submitted. Servicers must report Workout status of Loans in these Workout programs (approved, completed and failed) on a monthly basis (at minimum) using a template or format approved by Genworth.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth's Homeowner Assistance Program. Workout packages can be mailed, faxed or emailed for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance Program
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

Email

HOA@Genworth.com

Secure Submission

<https://MIservicing.genworth.com>

Contact: Genworth Homeowner Assistance Program at 800 455.0871

v) Borrower Assistance Program

Definition – Under Genworth's Borrower Assistance Program, Genworth advances funds on behalf of a qualified but delinquent Borrower experiencing a temporary financial setback. The Borrower Assistance Program is available on many Loan types. Funds may be advanced to the Servicer on behalf of the Borrower to bring the Loan current. The Borrower signs a zero interest rate, unsecured promissory note.

Purpose - Used to bring a Loan current when a modification cannot fully capitalize the Past Due amounts.

Eligibility- Borrowers can only qualify for the Borrower Assistance Program if they meet the following guidelines:

- A request for advanced funds through the Borrower Assistance Program should be made only after all other Retention Workout options have been exhausted
- Borrower must show desire to remain in the property and have willingness and *ability* to make future payments (including all debt and the promissory note). *Ability* is defined as positive cash flow after the monthly Borrower Assistance Program payment.
- Borrower payment history must be considered “good” prior to Hardship.
- Any advanced funds are expected to be repaid by the Borrower via promissory note. Those funds not repaid may be deducted from a future Claim on the MI certificate.
- Promissory notes executed by the Borrower carry a zero percent interest rate with a term defined by Genworth (up to ten years).
- This program is available to those who are currently employed or will be starting a new job within 30 calendar days of the advance or those who have a steady source of income that can repay the note and make future payments. A Borrower cannot participate more than two times during the life of the Loan.
- If there is a remaining balance owed to Genworth from a previous advance, the outstanding balance will be considered in determining the allowable amount on the additional advance.
- A no-equity situation must be in existence for a Borrower to qualify for this program.
- All funds advanced through the Borrower Assistance Program are subject to investor approval

Guidelines for a Borrower Assistance Program Advance:

- Maximum advance amount under the Borrower Assistance Program is evaluated on a case-by-case basis,
- Note repayment should begin no later than 3 months after the funds have been advanced,
- Advances will be made to the servicer on the Borrower’s behalf,
- Advances can be used in conjunction with non-HAMP modifications, and
- Approval is subject to review of Borrower’s credit (pay) history prior to Hardship.

Required Documentation

Submit a full Workout package to Genworth including the following:

- Hardship letter
- Financial statement
- Current proof of income
- Bank statements
- Tax returns
- Credit report
- Drive-by Broker’s Price Opinion of Property
- Reinstatement Figures
- Borrower’s Pay history (12 months prior to Hardship)

Submission – Requests for approvals must be submitted by secure means to Genworth Homeowner Assistance Program. Workout packages can be mailed, faxed or emailed for review.

Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance Program
8325 Six Forks Road
Raleigh, NC 27615

Fax
(800) 944-3642

Email
HOA@Genworth.com

Secure Submission
<https://MIservicing.genworth.com>

Contact: Genworth Homeowner Assistance Program at 800 455.0871.

c) Liquidation Workouts

i) Short Sale

Definition – A short sale is a sale of the property to an unrelated 3rd party for less than the full payoff. Depending on the Borrower's Hardship and financial situation, the Borrower may be asked to contribute to the loss via a promissory note or cash contribution.

Purpose- Used when the Borrower cannot afford the ongoing mortgage payments, cannot qualify for a Retention Workout, or, in certain cases, is unwilling to keep the property.

Delegation – Short sales are delegated subject to specific Delegation parameters. Servicers must report short sales (approved, completed and failed) on a monthly basis (at minimum) using a template or format approved by Genworth.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth Homeowner Assistance Program. Workout packages can be mailed, faxed or emailed for review. Please submit requests as outlined below:

Mail
Genworth Homeowner Assistance Program
8325 Six Forks Road
Raleigh, NC 27615

Fax
800 944.3642

Email
HOA@Genworth.com

Secure Submission
<https://MIservicing.genworth.com>

Contact: Genworth Homeowner Assistance Program at 800 455.0871

ii) Deed-In-Lieu of Foreclosure

Definition – A deed-in-lieu of Foreclosure is used when a Borrower is allowed to convey title to the property to the Servicer or Investor. In many cases, the property may have already been listed as a short sale. Depending on the Borrower's Hardship and financial situation, the Borrower may be asked to contribute to the loss via a promissory note or cash contribution.

Purpose- When the Borrower cannot afford the ongoing mortgage payments, cannot qualify for a Retention Workout, or, in certain cases, is unwilling to keep the property.

Delegation – Deeds-in lieu are delegated subject to specific Delegation parameters. Servicers must report deeds-in-lieu (approved, completed and failed) on a monthly basis (at minimum) using a template or format approved by Genworth.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth's Homeowner Assistance Program. Workout packages can be mailed, faxed or emailed for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance Program
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

Email

HOA@Genworth.com

Secure Submission

<https://MIservicing.genworth.com>

Contact: Genworth Homeowner Assistance Program at 800 455.0871

If there are any other Workout types that are not covered by this Guide, please submit the Workout package and Workout recommendation to Genworth Homeowner Assistance Program for review, or contact your Servicer Relations Representative for additional direction at servicerrelations@genworth.com.

4) Genworth Servicer Assistance Program

Genworth has a range of offerings to assist the Servicer in achieving Workout results and meeting Genworth's Servicer requirements and expectations. These offerings include:

- Borrower Outreach campaigns
 - "No Contact"
 - "No Resolution"
 - Warm Transfers
 - Full Workout package collection
- Local Borrower outreach events

- Servicer on-site Workout assistance
- Door knocker service
- Document follow-up and Workout package completion
- Component / third party servicing
- Borrower debt management counseling programs
- Pre Claim advances to facilitate additional Workouts
- Participation in most available Government, GSE and Investor programs

We will evaluate your request for support on a case-by-case basis. Please contact your Servicer Relations Representative for additional details and information at servicerrelations@genworth.com.

5) Resources and Contact Information

Contact Information

- Genworth Action Center® - action.center@genworth.com or 800 444.5664
- Homeowner Assistance (Workout) Department – HOA@genworth.com or 800 455.0871
- Servicer Relations – servicerrelations@genworth.com
- Workout Delegation Team - delegatedlossmit@genworth.com or 800 261.2015
- Workout Reporting Template – <https://miservicing.genworth.com/DelegatedWorkout/Default.aspx>

6) Glossary of Terms

Bankruptcy – A federal program giving Borrowers protection from creditors and establishing plans for Liquidation or payment plans.

Borrower – Any person legally obligated to repay the debt obligation created pursuant to the Loan including, without limitation, any co-signor or guarantor. Where two or more persons are Borrowers, the singular tense shall be deemed to include the plural.

Chapter 11 / 13 – A structured repayment plan established by the Bankruptcy court.

Chapter 7 – A Liquidation plan established by the Bankruptcy court.

Claim - The timely filed written request to receive the benefits of the policy with respect to a Loan made in any form approved by Genworth.

Foreclosure – The legal process to secure the property if a Borrower defaults on the Loan.

Hardship – The Borrower's ability to repay the Loan has been materially impacted. The Borrower requires assistance to be able to afford the ongoing or Past Due Loan payments, or to liquidate the property. The Hardship is caused by an unforeseen and unavoidable event.

Homeowner Assistance – A unit at Genworth that coordinates with Servicers to assist Borrowers with a financial Hardship and to mitigate losses.

Imminent Default – A Borrower that has been impacted by a valid Hardship, but is not yet delinquent on his Loan.

Insured – The person so designated on the face of the Policy, or any Person to whom any certificate issued under this Policy is assigned in accordance with and subject to the provisions of the Policy.

Investor – The owner of the Loan who also establishes minimum servicing requirements.

Liquidation Workout – A Workout that results in the Liquidation of the Loan and property.

Loan – The indebtedness of a Borrower as evidenced by a note, bond, instrument or other evidence of indebtedness secured by a mortgage, deed of trust, or similar instrument, which constitutes or is equivalent to a first lien or charge on the property

Past due – The failure by a Borrower to pay when due an amount equal to or greater than one (1) regular periodic payment due under the terms of a Loan. A Loan shall be deemed to be in default as of the close of business on the installment due date for that period in which a scheduled periodic payment has not been made. For example, a Loan is "three (3) months Past Due" if the monthly installments due on January 1 through March 1 remain unpaid as of the close of business on March 1.

Policy – The Master Policy contract of insurance and all applications, commitments, certificates, endorsements, and schedules relating to the Policy, each of which is hereby incorporated by reference into and made a part of the Policy with respect to the Loans to which they each relate.

Retention Workout – A Workout that results in the Loan becoming current and the Borrower retaining the home.

Servicer – That Person, if any, who has agreed with the Insured, to issue billings, collect and account for payments of principal and interest from the Borrower, or otherwise service the Loan for the Insured. The Servicer acts as and shall be deemed to be an agent of the Insured for all purposes including, but not limited to, acquiring information, receiving any notices and performing any acts required to be done by the Insured under the Policy

Servicer Relations – A unit at Genworth that maintains an ongoing relationship with Servicers regarding Homeowner Assistance activities and loss mitigation programs.

Servicer Relations Representative – A Genworth representative that works in the Servicer Relations unit.

Workout – Assistance to a Borrower with a financial Hardship resulting in the Loan to become current, or the Liquidation of the property.

Workout Delegation – Authority granted by an Investor or Genworth to approve a Workout on their behalf following established guidelines.

Workout program – A program that alters the Borrowers obligation, or Loan payoff and results in the Borrower avoiding Foreclosure. The Workout Program results in a Retention, or Liquidation Workout.