

# Default Management Servicing Guide

March 1, 2012



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

March 1, 2012

This guide revises the June 2011 *Default Management Servicing Guide* and is applicable to all servicing activities occurring after March 1, 2012.

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

## **Highlights\***

### **Section 1(a) Summary**

- Reminder of loss mitigation documentation requirements
- Reminder that Servicers must adhere to the most stringent applicable servicing requirements

### **Section 1(d)(i) Early and Ongoing Delinquency Contact**

- Accelerates requirement to offer Workout options from 3 months Past Due (61<sup>st</sup> day) to the 46<sup>th</sup> day
- Clarifies that manual calling attempts must continue at least monthly until the delinquency is resolved

### **Section 1(d)(ii) Workouts**

- Reminder of the documentation requirements for Liquidation Workouts

### **Section 1(d)(iii) Foreclosure**

- Clarifies that initiation of Foreclosure may be delayed up to 30 days if Workout is in process

### **Section 1(d)(iv) Bankruptcy**

- Reminder of the Servicer's responsibility to ask for monthly reports from its attorney about foreclosure prevention efforts during the handling of the Bankruptcy case

### **Section 1(d)(vi) Strategic Default**

- Clarifies requirements for Imminent Default and Strategic Default Borrowers

### **Section 3(c)(i) Short Sale, Section 3(c)(ii) Deed-In-Lieu of Foreclosure**

- Confirms Genworth's policy to waive deficiency subrogation rights upon completion of short sale or deed-in-lieu of foreclosure

### **Section 4 Genworth Servicer Assistance Program**

- Provides additional detail on various Genworth Servicer assistance programs

\*This summary is provided for convenience and is not a substitute for the detailed requirements set out in this Guide

<b>Table of Contents</b>	<b>Page</b>
1) Overview	1
a. Summary	1
b. Non-Compliance	1
c. General Servicing Requirements	1
d. Default Servicing Requirements	2
i. Early and Ongoing Delinquency Contact	2
ii. Workouts	3
iii. Foreclosure	3
iv. Bankruptcy	4
v. Imminent Default	4
vi. Strategic Default	4
2) Servicer Workout Delegation	5
3) Workouts	5
a. Workout Package and Documentation Requirements	5
b. Retention Workouts	6
i. Modification	6
ii. Repayment Plan	7
iii. Forbearance Plan	7
iv. Other Investor Retention Programs	8
v. Borrower Assistance Program	9
c. Liquidation Workouts	10
i. Short Sale	10
ii. Deed-in-Lieu of Foreclosure	11
d. Other Workout Types	12
4) Genworth Servicer Assistance Program	12
5) Resources and Contact Information	12
6) Glossary of Terms	13

## 1) Overview

### a) Summary

Effective default servicing and loss mitigation is required of the Insured and its 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. Servicers shall consider all available Workout opportunities and minimize Foreclosure and Bankruptcy timelines and associated claimable expenses.

Servicer Requirements–Servicers must adhere to applicable Investor guidelines for default servicing and Workout activities. In addition, Servicers must follow all requirements set out in this Guide, even where Genworth’s requirement is more stringent than the Investor requirement. In any case, where the requirements are not identical, Servicers must adhere to the more stringent requirement. In the absence of applicable Investor or Genworth requirements, Servicers must follow Fannie Mae’s servicing requirements. 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.

Loss Mitigation Documentation Requirements – All servicing and loss mitigation activities and efforts must be fully documented in servicer’s system and/or permanent file. This includes documentation of any third party vendor or subservicer efforts.

This Guide revises the June 2011 *Default Management Servicing Guide* as of March 2012..

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 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.

Capitalized terms used throughout this Guide have the meanings set forth in Section 6, Glossary of Terms.

### 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 servicing priority as other Loans in the serviced portfolio. Loans insured by Genworth must also 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 and Ongoing Delinquency Contact (including collection, Workout and loss mitigation)**

The primary objective is to make contact with the Borrower, assess the Borrower's situation and collect the Past Due payment(s), if possible, to the extent permitted by law (see also Bankruptcy requirements in Section 1(d)(iv)). If collection or reinstatement is not possible, the Borrower must be considered for all available Workout options.

Servicer must comply with and document all of 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.
- 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 consider and offer all available Workout options. In any event, if the Servicer cannot contact the Borrower by phone, Workout options must be offered by mail, in person or other means no later than the 46<sup>th</sup> day following the initial Past Due date.
- 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). Manual calling attempts must continue at least monthly until delinquency is resolved or foreclosure is completed.
- 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 knocking 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

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 property. The Servicer should consider a Liquidation Workout only if a Retention Workout fails or a Retention Workout is considered, but the Borrower does not qualify or refuses to cooperate in any Retention Workout. Documentation of Liquidation Workout should include the discussion with the Borrower regarding the listing of their property, short sale and deed-in-lieu options.

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, Borrower refuses to cooperate, or if no Workout is possible, the Servicer is instructed to expedite the Foreclosure process to the extent 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 both Workout and Foreclosure independently. Notwithstanding the initiation of Foreclosure, the Servicer must continue to pursue Workout

options with the Borrower throughout the Foreclosure process. Foreclosure must be diligently pursued and in any event, Genworth requires Foreclosures to be completed within Genworth Foreclosure timelines established by state (see the Publications section of the MI Servicing website - [MIservicing.genworth.com](http://MIservicing.genworth.com)). If a Workout is in process, initiation of Foreclosure may be delayed up to 30 days from receipt of the Workout package. 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 postponed 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 Bankruptcy or 6 months after a default on a Chapter 11 or 13 plan.

During the course of a Chapter 11 or 13 Bankruptcy, Servicer must contact the trustee monthly to follow up on the status of payments required under the plan.

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

If the Borrower or their legal counsel cannot be contacted, does not wish to or cannot make ongoing payments, or cannot qualify for a Workout or other loss mitigation activity, 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). Promptly following the lift-of-stay, discharge, or dismissal from Bankruptcy, there must be documentation of discussions with the Borrower or their legal counsel about Workout options, including Liquidation Workouts and listing the property for sale, short sale and deed-in-lieu.

Notwithstanding a Bankruptcy filing, Servicers must pursue and document all Workout and loss mitigation opportunities and efforts when allowed under Bankruptcy laws by working through the Borrower's legal counsel. Additionally, Servicers must ask the Bankruptcy attorney to send a monthly report about foreclosure prevention efforts that are pursued during the handling of the Bankruptcy case and provide such documentation for Genworth at Claim.

#### **v) Imminent Default**

If a Borrower has communicated a valid Hardship to the Servicer and is not currently Past Due, Genworth requires Servicers to pursue all available Workout opportunities.

#### **vi) Strategic Default**

Servicers must ensure that reasonable diligence is applied to identify "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 two approval options, and, if applicable, Genworth's approval must precede any notification of approval to the Borrower:

1. the existing Servicer or Investor Workout Delegation granted by Genworth, or
2. submitting the request to Genworth for individual case-by-case review

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 the Genworth Action Center at [action.center@genworth.com](mailto: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 [MIservicing.genworth.com](http://MIservicing.genworth.com)

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](mailto:delegatedlossmit@genworth.com) or 800 261.2015 for details and any questions on the Servicer Workout Delegation.

## 3) 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. For a copy or for more information, please contact Genworth Homeowner Assistance at [HOA@Genworth.com](mailto:HOA@Genworth.com) or 800 455.0871.

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.

Workout Delegation – All HAMP modifications are delegated to the Servicer (with certain reporting required by Genworth). Other modifications may be delegated to the Servicer (see Workout Delegation parameters). However, for HAMP and all other Workout Delegations, there is no delegation for principal reduction and pre-Claim advances (unless specifically approved by Genworth beforehand). Servicers must report Workout status (approved, completed and failed) at least monthly using a template ([Mlservicing.genworth.com](http://Mlservicing.genworth.com)) or other 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  
8325 Six Forks Road  
Raleigh NC 27615

#### **Fax**

800 944.3642

#### **Email**

HOA@ Genworth.com

#### **Secure Submission**

Mlservicing.genworth.com

Contact: Genworth Homeowner Assistance 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-determined 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 repayment schedule.

Workout 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 ([MIservicing.genworth.com](http://MIservicing.genworth.com)) 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  
8325 Six Forks Road  
Raleigh NC 27615

### **Fax**

800 944.3642

### **Email**

HOA@ Genworth.com

### **Secure Submission**

MIservicing.genworth.com

Contact: Genworth Homeowner Assistance 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.

Workout 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 ([MIservicing.genworth.com](http://MIservicing.genworth.com)) 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  
8325 Six Forks Road  
Raleigh NC 27615

**Fax**

800 944.3642

**Email**

HOA@ Genworth.com

**Secure Submission**

MIservicing.genworth.com

Contact: Genworth Homeowner Assistance 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](mailto:servicerrelations@genworth.com).

Purpose- Used to cure the Loan delinquency.

Workout Delegation – Individual Workout 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 ([MIservicing.genworth.com](http://MIservicing.genworth.com)) 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  
8325 Six Forks Road  
Raleigh NC 27615

**Fax**

800 944.3642

**Email**

HOA@ Genworth.com

**Secure Submission**

MIservicing.genworth.com

Contact: Genworth Homeowner Assistance 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 Hardship. 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 must have good payment history prior to Hardship.
- Any advanced funds are expected to be repaid by the Borrower via promissory note. Those funds not repaid will be deducted from a future Claim on the applicable 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.
- The Borrower Assistance Program is 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 and mortgage payment 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 mortgage payment history (12 months prior to Hardship)

Submission – Requests for 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  
8325 Six Forks Road  
Raleigh NC 27615

#### **Fax**

800 944.3642

#### **Email**

HOA@ Genworth.com

#### **Secure Submission**

MIservicing.genworth.com

Contact: Genworth Homeowner Assistance at 800 455.0871

### **c) Liquidation Workouts**

#### **i) Short Sale**

Definition – A short sale is a sale of the property to an unrelated 3<sup>rd</sup> 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. It is Genworth's policy to waive its right of subrogation to pursue the deficiency upon completion of a short sale or deed-in-lieu of foreclosure.

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.

Workout Delegation – Short sales are delegated subject to specific Workout Delegation parameters. Servicers must report short sales (approved, completed and failed) on a monthly basis (at minimum) using a template ([MIservicing.genworth.com](http://MIservicing.genworth.com)) 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  
8325 Six Forks Road  
Raleigh NC 27615

**Fax**

800 944.3642

**Email**

HOA@ Genworth.com

**Secure Submission**

MIservicing.genworth.com

Contact: Genworth Homeowner Assistance 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. It is Genworth’s policy to waive its right of subrogation to pursue the deficiency upon completion of a short sale or deed-in-lieu of foreclosure.

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.

Workout Delegation – Deeds-in lieu are delegated subject to specific Workout Delegation parameters. Servicers must report deeds-in-lieu (approved, completed and failed) on a monthly basis (at minimum) using a template ([MIservicing.genworth.com](http://MIservicing.genworth.com)) 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  
8325 Six Forks Road  
Raleigh NC 27615

**Fax**

800 944.3642

**Email**

HOA@ Genworth.com

**Secure Submission**

MIservicing.genworth.com

Contact: Genworth Homeowner Assistance at 800 455.0871

#### **d) Other Workout Types**

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 for review, or contact your Servicer Relations Representative for additional direction at [servicerrelations@genworth.com](mailto: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"- Genworth attempts to locate and call a list of Borrowers, supplied by Servicer, with whom the Servicer has not made contact
  - "No Resolution" - Genworth calls a list of Borrowers, supplied by Servicer, with whom the Servicer has not been able to complete a Workout
  - Warm Transfers - Genworth calls a list of Borrowers supplied by Servicer and transfers the Borrower to the Servicer
  - Full Workout package collection – Genworth contacts Borrower and attempts to obtain a full Workout package on behalf of the Servicer
- Local Borrower outreach events
- Servicer on-site Workout assistance
- Door knocking service reimbursement
- Document follow-up and Workout package completion
- Pre Claim advances to facilitate additional Workouts
- Participation in most available government, GSE and Investor programs

We will evaluate all requests for support on a case-by-case basis. Please contact your Servicer Relations Representative for additional details and information at [servicerrelations@genworth.com](mailto:servicerrelations@genworth.com).

#### **5) Resources and Contact Information**

##### Contact Information

- Genworth Action Center® - [action.center@genworth.com](mailto:action.center@genworth.com) or 800 444.5664
- Homeowner Assistance (Workout) Department – [HOA@genworth.com](mailto:HOA@genworth.com) or 800 455.0871
- Servicer Relations – [servicerrelations@genworth.com](mailto:servicerrelations@genworth.com)
- Workout Delegation Team - [delegatedlossmit@genworth.com](mailto:delegatedlossmit@genworth.com) or 800 261.2015
- Workout Reporting Template – <https://miservicing.genworth.com/DelegatedWorkout/Default.aspx>
- Genworth's State Foreclosure Timeline – Log on to [Miservicing.genworth.com](http://Miservicing.genworth.com) and select "Publications"



## 6) Glossary of Terms

**Bankruptcy** –Federal laws giving Borrowers protection from creditors and establishing debt liquidation or repayment 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 Plan** – A structured repayment plan established by the Bankruptcy court.

**Chapter 7 Plan** – 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. All servicing and loss mitigation activities and efforts must be fully documented in Servicer's system and/or permanent file and must be provided with the Claim. This includes documentation of any third party vendor or subservicer efforts.

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

**Hardship** – The Borrower's ability to repay the Loan has been materially impacted due to an unforeseen and unavoidable event. The fact that the mortgaged property is worth less than the loan balance, standing alone, does constitute a Hardship.

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

**Imminent Default** – A Borrower that has been impacted by a valid Hardship, but is not yet Past Due.

**Insured** – The person so designated on the face of the Policy, or any person to whom any certificate issued under the 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** –Loss mitigation effort that results in the disposal of the property through short sale, deed-in-lieu of foreclosure or other approved liquidation options.

**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 Past Due 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 policy contract of insurance and all applications, commitments, certificates, endorsements, and schedules relating to the Policy.

**Retention Workout** – Loss mitigation effort 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 Hardship resulting in the Loan becoming current, or the liquidation of the property.

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

**Workout Program** – A program that results in a Retention Workout, Liquidation Workout or assists the Servicer in achieving a Workout.