

Default Management Servicing Guide

October 1, 2012



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

October 1, 2012

**This Default Management Servicing Guide (the "Guide") revises the March 2012 Default Management Servicing Guide.*

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

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Highlights

This revised Guide provides closer alignment with GSE servicing guidelines and is effective for loans that became delinquent on or after October 1, 2012. Following are the material updates to the prior Default Management Servicing Guide:

Section 1(b) - Non-Compliance

Reiterates the requirement of Servicers to document and maintain records of all servicing and loss mitigation activities, and that a failure to maintain and submit complete records to Genworth may cause a delay in processing the Claim and result in a curtailment or reduction of Claim benefits.

Section 2 - Loss Mitigation Matrices

Section 2(a) - Loss Mitigation Matrix outlining servicing requirements for all Loans that became delinquent on or after October 1, 2012 for Servicers using an Auto Dialer Method.

Section 2(b) - Loss Mitigation Matrix outlining servicing requirements for all Loans that became delinquent on or after October 1, 2012 for Servicers using a Manual Dialing Method

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

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 Mortgage Insurance (“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 must 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.

This Guide revises the applicable prior *Default Management Servicing Guide* for all Loans that became delinquent on or after October 1, 2012. The applicable prior *Default Management Servicing Guide* continues to apply to any loans that became delinquent prior to October 1, 2012.

This Guide applies to all Loans except those insured for a Federal Home Loan Bank, State Housing Finance Authority (including CalHFA) or structured transactions (bulk) or Pool Insured 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 the Glossary of Terms section.

b) Non-Compliance

Failure to strictly adhere to the requirements of this Guide may result in denial or curtailment of a Claim. All servicing and loss mitigation activities and efforts must be fully documented in the Servicer’s system and/or permanent file, including documentation of sub-servicer and third party vendor activities. In order to perfect a Claim in accordance with the Policy, complete servicing and loss mitigation documentation from all systems must be submitted. **Failure to maintain and provide complete servicing and loss mitigation documentation may cause a delay in processing the Claim and may also result in a reduction or curtailment of Claim benefits.**

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

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 any past due payment(s), if possible, to the extent permitted by law (see requirements in the Bankruptcy section of this Guide). If collection or reinstatement is not possible, the Borrower must be considered for all available Workout options.

In accordance with the Policy, Fannie Mae, Freddie Mac, all other Investors and industry standards, loss mitigation efforts are required beyond basic collection and Foreclosure efforts, and we audit Claims to determine if reasonable loss mitigation efforts have been applied. This includes making reasonable efforts to cure the Default and, if such attempts are unsuccessful, to effectuate the early disposition of the property through Short Sale, Deed-in-Lieu of Foreclosure or, if necessary, Foreclosure sale.

Genworth’s loss mitigation review team reviews all documentation provided by the Servicer detailing loss mitigation efforts performed on Loans for which we receive a Claim. We audit for consistent effort and compliance to guidelines throughout the delinquency period. These documented efforts should include, but are not necessarily limited to: phone campaigns to reach the Borrower(s), skip tracing (when necessary), notes detailing conversations with the Borrower concerning available programs (including Repayment Plans, Modifications, HAMP, HAFA, Forbearance, Short Sale, Deed-in-Lieu of Foreclosure), as well as documents provided to the Borrower relating to Retention Workout and Liquidation Workout plans.

2) Loss Mitigation Matrices

a) Below is the Loss Mitigation Matrix outlining servicing requirements for all Loans that became delinquent on or after October 1, 2012 for Servicers using an Auto Dialer Method

<u>Loss Mitigation Matrix</u>	
For Servicers Using <u>Auto Dialer Method</u> Effective for All Loans That Became Delinquent On or After 10-1-2012	
<u>Timelines</u>	<u>Default Servicing Activity</u>
15 days Past Due and ongoing every 3 days until loss mitigation activities begin	Auto dialer calls made. Borrower outreach should continue throughout delinquency period even if Borrower did not previously qualify for a Foreclosure prevention program. Continue to reach out to Borrower regarding ongoing or potential loss mitigation options and document details of discussions and results of discussions.
35 days Past Due	Solicitation letter mailed with follow-up every 3 days until Borrower acknowledges receipt.

45 days Past Due if no contact has been made with the Borrower and every 30 days thereafter when loan is >45 days delinquent or the property is vacant	Property inspection ordered and results documented.
60 days Past Due and every 30 days thereafter until Borrower contact is made and loss mitigation activities begin	Run skip trace with follow-up on all numbers found or complete door knock campaign with Foreclosure prevention package provided (door knock campaign is not required but recommended).
65 days Past Due	Solicitation letter mailed with follow-up every 3 days until Borrower acknowledges receipt.
7 days after referral to Foreclosure	Post Foreclosure solicitation letter mailed by the attorney or trustee - with Servicer follow-up.
Any point	If property is found to be vacant, the Borrower refuses to cooperate, or no Workout is possible, Foreclosure is to be expedited.
Any point	Servicer documents system that the Borrower has requested no further contact - all loss mitigation activities stop and Foreclosure should be expedited.
Any point	Borrower files Bankruptcy - see Bankruptcy Section of this manual.
Ongoing	Borrower Contacted - loss mitigation options and the Borrower's intentions are discussed and documented along with results of discussions.
Ongoing contact with Borrower every 30 days after any discussion with the Borrower or if any Foreclosure prevention activity is in process	Follow-up contact with Borrower and discussion(s) documented along with result of discussion(s).
Within 60 days of Package request	Servicer follows-up, collects, reviews and decisions Borrower Package.
Within 30 days of when Borrower does not qualify or want Retention Workout options	Servicer discusses Liquidation Workout options and documents discussion and next steps.
Within 10 days of Borrower's request for Short Sale option	Servicer sends out Short Sale process and documentation requirements and follows-up monthly for status of property listing.
90 days after property is listed with no Offers	Servicer reviews loan for Deed-in-Lieu of Foreclosure option and documents decision and any discussions with Borrower.
Receipt of Short Sale Offer	Servicer has 30 days to decision. Servicer has an additional 15 days from a counter Offer (max of 45 days).
Within 60 days of Deed-in-Lieu of Foreclosure request	Servicer follows-up, collects, reviews and decisions Borrower Package.
30 days after Borrower contact lost during active Workout effort	Servicer to begin Borrower outreach including but not limited to calling and letter campaign. Continue to reach out to Borrower regarding ongoing or potential loss mitigation options and document details of discussions and results of discussions.
60 days after Borrower contact lost during active Workout effort	Skip trace with follow-up on all numbers found or door knock campaign with Foreclosure prevention package provided (door knock campaign is not required but recommended).
All loss mitigation efforts may cease unless there are ongoing Foreclosure prevention activities or Borrower contact as follows: 60 days prior to Foreclosure in judicial states and 30 days in non-judicial states.	

b) Below is the Loss Mitigation Matrix outlining servicing requirements for all Loans that became delinquent on or after October 1, 2012 for Servicers using a Manual Dialing Method

<u>Loss Mitigation Matrix</u>	
For Servicers Using <u>Manual Dialing Method</u> Effective for All Loans That Became Delinquent On or After 10-1-2012	
<u>Timelines</u>	<u>Default Servicing Activity</u>
30 days Past Due and at least weekly thereafter until loss mitigation activities begin	Borrower outreach including but not limited to manual calls, letters, door knock campaigns (door knock campaigns are not required but highly recommended), face to face meetings, etc. Borrower outreach should continue throughout delinquency period even if Borrower did not previously qualify for a Foreclosure prevention program. Continue to reach out to Borrower regarding ongoing or potential loss mitigation options and document details of discussions and results of discussions.
45 days Past Due	Solicitation letter mailed with follow-up calls until Borrower acknowledges receipt.
90 days Past Due if no contact has been made with the Borrower and every 30 days thereafter when loan is >45 days delinquent or the property is vacant	Property inspection ordered and results documented.
90 days Past Due and every 60 days thereafter until Borrower contact and loss mitigation activities begin	Skip trace with follow-up on all numbers found or door knock (door knock campaigns are not required but highly recommended) with Foreclosure prevention package provided.
90 days Past Due	Solicitation letter mailed with follow-up calls until Borrower acknowledges receipt.
7 days after referral to Foreclosure	Post Foreclosure solicitation letter mailed by the attorney or trustee - with Servicer follow-up.
Any point	If property is found to be vacant, the Borrower refuses to cooperate, or no Workout is possible, Foreclosure is to be expedited.
Any point	Servicer documents system that the Borrower has requested no further contact - all loss mitigation activities stop and Foreclosure should be expedited.
Any point	Borrower files Bankruptcy - see Bankruptcy Section of this manual.
Ongoing	Borrower Contacted - loss mitigation options and the Borrower's intentions are discussed and documented along with results of discussions.
Ongoing contact with Borrower every 30 days after any discussion with the borrower or any Foreclosure prevention activity is in process	Follow-up contact with Borrower and discussion(s) documented along with result of discussion(s).
Within 60 days of Package request	Servicer follows-up, collects, reviews and decisions Borrower Package.
Within 30 days of when Borrower does not qualify or want Retention Workout options	Servicer discusses Liquidation Workout options and documents discussion and next steps.
Within 10 days of Borrower's request for Short Sale option	Servicer sends out Short Sale process and documentation requirements and follows-up monthly for status of property listing.
90 days after property is listed with no Offers	Servicer reviews loan for Deed-in-Lieu of Foreclosure option and documents decision and any discussions with Borrower.

Receipt of Short Sale Offer	Servicer has 30 days to decision. Servicer has an additional 15 days from a counter Offer (max of 45 days).
Within 60 days of Deed-in-Lieu of Foreclosure request	Servicer follows-up, collects, reviews and decisions Borrower Package.
30 days after Borrower contact lost during active Workout effort	Servicer to begin Borrower outreach including but not limited to calling and letter campaign.
60 days after Borrower contact lost during active Workout effort	Skip Trace with follow-up on all numbers found or Door Knock with Foreclosure prevention package provided.
All loss mitigation efforts may cease unless there are ongoing Foreclosure prevention activities or Borrower contact as follows: 60 days prior to Foreclosure in judicial states and 30 days in non-judicial states.	

3) 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 Foreclosure alternatives.

If a Loan remains in Default 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 the 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 must document its file accordingly and 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). 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.

4) Bankruptcy

Genworth requires Servicers to minimize the time a Loan is affected by Bankruptcy by expeditiously preparing required documentation.

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

Servicers must within 10 calendar days pursue and document loss mitigation activity (Retention Workouts and/or Liquidation Workouts) after obtaining a lift-of-stay, discharge, or dismissal from Bankruptcy, as permitted by law. While discharge of a non-reaffirmed debt in a Bankruptcy does prohibit any further attempts to collect the debt, it does not prohibit the creditor from enforcing its lien rights in the property, including Liquidation Workouts.

If the Borrower or their legal counsel cannot be contacted, does not wish to or cannot make ongoing payments, or does not qualify for a Workout or other loss mitigation activity, Servicers must resume Foreclosure within 30 calendar days after obtaining the lift-of-stay or following Borrower's discharge or dismissal from Bankruptcy.

During the course of a Bankruptcy, if the Borrower intends to surrender the property, the bankruptcy attorney must attempt to obtain relief from the automatic stay as stated above. Once an automatic stay is lifted, the case is dismissed, or the Borrower has received a discharge along with a trustee abandonment of the property, the Servicer must immediately send any required breach letter to the Borrower (if it was not previously sent) and refer the Loan to an attorney to initiate (or resume) Foreclosure proceedings. The Servicer must also consider and document any potential Workout alternatives discussed with the Borrower. If the Borrower intends to retain possession of the property, the bankruptcy attorney must work with the court, the Borrower's counsel, and the Servicer to pursue Workout alternatives and document such efforts. During the course of a Chapter 11 or 13 Bankruptcy, if the required plan payments are in default, the Servicer must contact the trustee at least monthly to follow up on the status of payments.

5) Servicer Workout Delegation

All Workouts must be approved by Genworth using one of these two approval options. Genworth's approval must precede any notification of approval to the Borrower:

- Any existing Servicer or Investor Workout Delegation granted by Genworth, or under certain circumstances, 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 Workout 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 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. As an alternative, approved Servicers may utilize Genworth's delegated online reporting tool.

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

6) Workouts

a) Workout Order

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

- **First:** Retention Workouts (Repayment Plan, Modification, etc.) – Results in the Loan becoming current and the Borrower retaining the home.
- **Second:** Liquidation Workouts (Short Sale, Deed-in-Lieu of Foreclosure, 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. Liquidation Workout documentation should include discussions with the Borrower regarding the listing of their property, Short Sale and Deed-in-Lieu of Foreclosure options.

For further information, please refer to the Workout Delegation and Workout submission procedures and instructions sections in this Guide.

b) Imminent Default

If a Borrower has communicated a valid Hardship to the Servicer but is not currently in Default, Genworth requires Servicers to pursue all available Workout opportunities.

c) Strategic Default

Servicers must ensure that reasonable diligence is applied to identify “strategic Default” by 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, Servicers must consider a Liquidation Workout to mitigate losses, with appropriate Borrower contribution, based on the Borrower’s financial situation.

d) 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 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 counter Offers on Short Sales
- Credit bureau reports
- Property valuations

7) Retention Workouts

a) Repayment Plan

Repayment Plans should be considered when the Borrower has a Hardship and falls behind on mortgage payments. After the Hardship is resolved, the Borrower can bring the Loan current using an agreed-upon repayment schedule. Repayment Plans should never exceed 12 months unless prior written approval is obtained from Genworth.

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) 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

b) Forbearance Plan

Forbearance Plans should be considered 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. Forbearance Plans generally should never exceed 6 months unless prior written approval is given by Genworth.

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) 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

c) Modification

A Loan 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 programs or Workouts 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 (MIservicing.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

MIservicing.genworth.com

Contact: Genworth Homeowner Assistance at 800 455.0871

d) Other Investor Retention Programs

Occasionally, Investors announce other Retention Workout programs to cure the delinquent Loan. To confirm whether your Investor's program has been approved by Genworth, contact your Servicer Relations Representative at servicerrelations@genworth.com.

Workout Delegation – Individual Workout Delegation decisions are 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) 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

e) Borrower Assistance Program

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.

The Borrower Assistance Program should be considered to bring a Loan current when a Modification cannot fully capitalize the amount of past due arrearages.

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 a desire to remain in the property and have a willingness and ability to make future payments (including all debt and the promissory note). Ability means having a positive cash flow after the monthly Borrower Assistance Program payment.
- Borrower must have a 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

[Mlservicing.genworth.com](https://mlservicing.genworth.com)

Contact: Genworth Homeowner Assistance at 800 455.0871.

8) Liquidation Workouts

a) Short Sale

A Short Sale should be considered 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.

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, where permitted by law. It is Genworth's policy to waive its right of subrogation to pursue any deficiency upon completion of a Short Sale.

Workout Delegation – Short Sales are delegated subject to specific Workout Delegation parameters, and/or agreement with the GSE's. Servicers must report Short Sales (approved, completed and failed) on a monthly basis (at minimum) using a template (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

b) Deed-in-Lieu of Foreclosure

A Borrower should be considered for a Deed-In-Lieu Foreclosure if they cannot afford the ongoing mortgage payments, cannot qualify for a Retention Workout, or, in certain cases, is unwilling to keep the property.

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, where permitted by law. It is Genworth's policy to waive its right of subrogation to pursue any deficiency upon completion of a Deed-in-Lieu of Foreclosure.

Workout Delegation – Deeds-in-Lieu of Foreclosure are delegated subject to specific Workout Delegation parameters and/or agreement with the GSE's. Servicers must report Deeds-in-Lieu of Foreclosure (approved, completed and failed) on a monthly basis (at minimum) using a template (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

[Mlservicing.genworth.com](https://mlservicing.genworth.com)

Contact: Genworth Homeowner Assistance at 800 455.0871

9) 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.

10) 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.

11) Resources and Contact Information

Contact Information

- Genworth ActionCenter® - 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>
- Genworth’s State Foreclosure Timeline – Log on to Miservicing.genworth.com and select “Publications”

12) Glossary of Terms

Bankruptcy – Federal law 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.

Borrower Assistance Program – Is a Genworth program of advancement of funds on behalf of a qualified but delinquent Borrower experiencing a temporary Hardship.

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.

Deed-in-Lieu of Foreclosure – Borrower conveyance of title to the property to the Servicer or Investor.

Default (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 Default” if the monthly installments due on January 1 through March 1 remain unpaid as of the close of business on March 1.

Forbearance Plan – A plan that allows the Borrower to bring the Loan current at an agreed point in the future, with the method of bringing the Loan current determined at the outset of the plan.

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

Hardship – an unforeseen and unavoidable event that materially impacts the Borrower’s ability to repay the Loan.

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 Hardship, but is not yet in Default (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.

Modification – A modification of mortgage terms that varies from the original terms of the mortgage. Mortgage terms that may be adjusted include, but are not limited to, a change in unpaid principal balance (increased to capitalize arrearages or reduced for principal forgiveness) Loan rate, Loan term or principal forbearance.

Offer – a signed Offer to purchase property.

Package – A Workout package that consists of an explanation of Hardship, Borrower financial statement of expenses and income, proof of income (paystubs, tax returns, rental income, etc.) and, if the property is listed, a copy of the signed listing agreement and realtor/agent authorization and any other documentation deemed necessary by the Servicer in order to make a Retention Workout or Liquidation Workout decision.

Policy – The contract of insurance and all applications, commitments, certificates, endorsements, and schedules relating to the Policy.

Repayment Plan – A Workout that allows the Borrower to bring the Loan current by paying a portion of the Default amount over a pre-determined period of time.

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 Workout Programs.

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

Short Sale – a sale of the property to an unrelated 3rd party for less than the full payoff.

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.