

Claim and Foreclosure Bidding Servicing Guide

April 1, 2013

Genworth 



**Genworth Mortgage Insurance
Claim and Foreclosure Bidding Servicing Guide***

Revised April 1, 2013

*This *Claim and Foreclosure Bidding Servicing Guide* (the “Guide”) revises the 2006 *Mortgage Insurance Servicing Manual* as to Foreclosure Bidding and Claims, and updates various prior notices with respect to Foreclosure Bidding and Claims.

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

Highlights

This revised Guide applies to any new Claim submitted to Genworth on or after April 1, 2013, with the **EXCEPTION of Section 3(b)** which is effective July 1, 2013. Following are the material updates to the prior Guide:

Section 3(b) –Documents Required to Perfect a Claim – Effective July 1, 2013

This Section further clarifies that complete Claim documentation must be submitted in order to perfect a Claim under the Genworth Master Policy. Such documentation includes, but is not limited to, complete servicing and loss mitigation documentation from all applicable servicing systems. Any servicing and loss mitigation documentation provided with the initial Claim will be considered a complete submission, unless the Servicer specifies that the submission is incomplete.

Failure to provide complete documentation of the items listed in Section 3(b) may result in a reduction or curtailment of Claim benefits. Furthermore, payment of a Claim will constitute a full and final discharge of Genworth’s obligations under the Policy, and Genworth will not consider additional documents submitted after payment of a Claim. Please review Section 3(b) for complete details.

Section 3(d)-Short Sale Documentation – Updated June 10, 2013

In cases where short sale approval has been delegated to the Servicer on Fannie Mae or Freddie Mac loans, the entire short sale file is required including an interior appraisal or BPO and must be submitted with a Claim.

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

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1) Overview

a) Introduction

The goal of Genworth Mortgage Insurance (“Genworth”) is to provide you with Mortgage Insurance coverage and great customer service. In that spirit, we have prepared this update to the *Mortgage Insurance Servicing Manual* (2006) and various other notices throughout the years to provide one centralized place to assist you in understanding the process and procedures for Foreclosure bidding and Claim submission for Genworth Insured Loans.

Sections F-13-14 (Foreclosure Bidding Instructions and Submitting a Claim for Loss) of the prior *Mortgage Insurance Servicing Manual* is superseded by this Guide. This Guide should be used in conjunction with the aforementioned *Mortgage Insurance Servicing Manual* and the most recent version of the Homeowner Assistance Program *Default Management Servicing Guide*.

The purpose of this Guide is to better serve you; if you have any general questions or comments regarding this Guide, please call the Genworth ActionCenter® at **800 444.5664**. The ActionCenter is staffed by a team of highly trained information specialists who are available from 8 a.m. to 8 p.m., Eastern Time, to provide assistance, answers, and action on any MI subject.

We have provided the information in this Guide in order to help you better understand and utilize our Claim services. Your Policy is the agreement between your company and Genworth, and the terms of that Policy apply to all Loans insured under it. Consult your specific Policy if you have questions concerning its contents. Capitalized terms used throughout this Guide have the meanings set forth in the Glossary of Terms section of this Guide or the Policy. Please remember that the Genworth Policy is subject to change without notice. Insurance written under any future or revised policies will be subject to the requirements of that particular Policy.

b) Default Servicing and Loss Mitigation 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.

Servicers must adhere to applicable Investor guidelines for Default servicing and Workout activities. In addition, Servicers must follow all requirements set out in the Homeowner Assistance Program *Default Management Servicing 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 losses and must act in accordance with the applicable standard of care for servicing delinquent Loans in the mortgage industry.

Note: For servicing of Loans insured for a Federal Home Loan Bank, State Housing Finance Authority (including CalHFA) and non-primary Loans, refer to applicable Investor guidelines and previously agreed upon Genworth specific servicing requirements. Servicers for these portfolios are required to act in good faith to mitigate losses and must act in accordance with those applicable standards of care for servicing delinquent Loans.

Loss Mitigation Documentation Requirements –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. The Insured or Servicer must include complete servicing and loss mitigation documentation in order to perfect a Claim under the Policy. See Section 3(b) of this Guide for additional details.

c) Non-Compliance

Failure to strictly adhere to any of the requirements of the Policy, this Guide, and Genworth’s Homeowner Assistance Program *Default Management Servicing Guide* may result in denial or curtailment of a Claim.

d) 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 including compliance with Foreclosure timelines and Foreclosure bidding instructions. 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 including Foreclosure bidding and Claim submission.

2) Foreclosure Bidding Instructions

a) General Foreclosure Bidding Instructions

Servicers must follow bidding instructions issued by Genworth unless the Investor is Fannie Mae. For Fannie Mae loans, Genworth permits Servicers to follow Fannie Mae Guidelines.

Servicers can obtain bidding instructions from two sources:

- **The e-Bid tool on the Genworth MI Servicing Website** at <https://MIservicing.genworth.com>. (To obtain a user ID for the e-Bid Website, call the ActionCenter at 800 444.5664)
- **Call or email the Claims Department** at 800 334.9270 or GNW.Claims@Genworth.com for verbal or written instructions with written confirmation.

For questions or additional information about how to access e-Bid, contact the Claims Department at 800 334.9270.

b) E-Bid (Accessing and Using Genworth's Foreclosure Bidding Tool)

To Access Genworth's Foreclosure Bidding Tool login to our website:

1. Go to <https://MIservicing.genworth.com>
2. Enter your *Username* and *Password* and select *Login*
 - New to the Site? Call the ActionCenter at 800 444.5664 to get login credentials
3. Select *Delinquency Reporting and Claims*
4. Select *e-Bid*

Note: If Fannie Mae is the Investor of the Loan, it is not necessary to obtain bidding instructions from Genworth. Follow Fannie Mae's Foreclosure Bidding Instructions.

Using e-Bid:

1. Enter the *Certificate Number* requiring an e-Bid and select *Search*
 - Certificate information will display for confirmation (name, address, % of coverage)
2. Verify Loan information, then select *Submit*
3. Enter the requested information:
 - *Current Property Value*: Appraisal, BPO or Sheriff Appraisal amount
 - *Total Debt* including all fees: UPB, interest, expenses, etc.
 - *Scheduled Foreclosure Sale Date* (enter the correct date if incorrect or blank)

Note: If there is a variance between the current value and the original appraised value, select the appropriate reason:

- Property Damage Beyond normal wear and tear
 - Depreciating Area
 - Unknown
 - Other
 - Add comments as necessary
4. Select *Submit*
 - An e-Bid or comment that indicates who you should contact for further instructions will appear

Need Assistance?

Contact the ActionCenter at 800 444.5664.

3) Submitting a Claim for Loss/Processes and Procedures for Coverage

a) When to File a Claim for Loss

The Claim must be filed within 60 days following the earlier of:

- The conveyance of Title to the Insured
- The redemption of the property by the Borrower or a third-party
- The conveyance of Title to a third-party as permitted by the terms of the Policy.

The Servicer or Investor should file Claims according to the above guidelines during any redemption period. Failure to file a Claim within the time limit required could result in an adjustment to your final Claim payment.

See section 3c: Filing a Claim for Loss for sample instructions

In addition, you may submit your Claim through the following automated means:

- **Via Genworth's MI Servicing Website** at <https://MIservicing.genworth.com>. To login to the secured site, enter your user ID and password. If you are experiencing problems or need to request a user ID or password, contact the Genworth ActionCenter at 800 444.5664 for assistance. Select Delinquency Reporting and Claims, and then select Claims.
- **Via EDI 260 Transaction**

Please contact Genworth's Claims Department at 800 334.9270 for additional information.

b) Documents Required to Perfect a Claim

In order to perfect a Claim in accordance with the Policy, we require submission of the documentation listed below. You must include complete documentation and activity notes from all applicable systems in order to perfect your Claim. Any servicing and loss mitigation documentation provided will be considered a complete submission, unless the Claim submission specifies that the servicing/loss mitigation documentation is incomplete. **Failure to provide complete documentation of all items listed below may cause a delay in processing your Claim and may also result in a reduction or curtailment of Claim benefits. Please note that payment of your Claim will constitute a full and final discharge of Genworth's obligations under the Policy, and Genworth will not consider additional documents submitted after the Claim has been paid.** The only exception is for additional documentation of Servicer advances under Section 9(g) or 10(h) of the applicable Policy, which must be submitted as a supplemental Claim within 90 days of our Claim payment or it will not be considered.

Customer Service/Loss Mitigation Documentation:

- All documentation of current (and prior, if applicable) Servicer's notes and activity throughout the delinquency period pertaining to:
 - Customer service/contact
 - Bankruptcy, including your attorney's loss mitigation efforts during Bankruptcy
 - Collections
 - Servicing
 - Loss mitigation
 - Foreclosure
 - Any other servicing activities
- All documents pertaining to (if applicable)
 - Property valuations related to Foreclosure, liquidation and loss mitigation
 - Loan modifications, including the executed modification agreement
 - Short Sale/Presale/Deed-in-Lieu, including an interior appraisal or BPO of value for delegated short sales on Fannie Mae and Freddie Mac Loans
 - SCRA (Servicemembers Civil Relief Act)

Claims Review Documentation

- Detailed Foreclosure chronology (prepared by a Foreclosure attorney or agent)
- Complete pay history
- Bankruptcy documents (if applicable), including bankruptcy filing and release/discharge dates
- Evidence of acquisition of title (unrecorded deed is acceptable)
- If a third party outbids at Foreclosure, a copy of the third party check and sale documents including the bid amount
- All invoices related to any advances or expenses paid
- The final signed closing statement from a presale
- If a pool Claim and Genworth is not the primary insurance carrier, a copy of the primary Claim settlement check and settlement letter
- VA/FHA proceeds

Genworth may also request additional documents to support amounts claimed or to document events between Loan origination and Claim filing.

Submitting Documentation

Documentation can be submitted via fax or email as follows:

- **Via Fax:** 919 870.3821
- **Via Email:** ClaimsSupportDocsOnly@genworth.com

For additional information, contact the Genworth ActionCenter at 800 444.5664

c) Filing a Claim for Loss

When filing a Claim with Genworth, the Uniform Mortgage Insurance Claim for Loss form may be used for primary, pool, preliminary, or supplemental Claims. Complete all applicable lines on the form for each type of Claim. The Claim for Loss Form can be obtained on the Genworth MI Servicing Website:

<https://miservicing.genworth.com/Publications/Default.aspx>

The Claim for Loss form must be completed in full. Failure to complete the Claim for Loss form in its entirety could result in the Claim being returned or delayed

Claimable Items Include:

- Unpaid principal balance
- Accrued interest at the contract rate
- Attorney's fees not to exceed 3% of the unpaid principal balance and accumulated interest
- Hazard insurance premiums advanced from Default through Claim submission
- Real estate taxes due and advanced from Default
- Reasonable preservation of property expenses
- Special assessments
- Statutory expenses
- Appraisal/broker's opinion of value

The Claim Should be Reduced By:

- Funds in escrow account at Default
- Rent monies received
- Other funds received to reduce the total indebtedness, such as primary mortgage insurance proceeds or FHA/VA proceeds
- Partial Claim advances
- Hazard insurance refunds
- Any proceeds from a Genworth Mortgage Insurance approved sale of property must also be deducted from the total Claim resulting in an adjusted Claim for Loss
- Cash Contribution

Typical Non-Claimable Expenses Include, but are not Limited To:

- Restoration expenses without Genworth approval
- Cosmetic repairs to the property without Genworth approval
- Late charges
- Penalty interest
- Taxes and insurance paid from Borrower's escrow account
- Interest due Investor after Claim settled
- Attorney's fees in excess of 3% of the unpaid principal balance and accumulated interest
- Owner's title policies
- In-house attorney's fees in excess of \$500
- Attorney referral fees
- Mortgage life insurance
- Mortgage insurance premiums

d) Claim for Loss Instructions

The Claim for Loss Form can be obtained on the Genworth MI Servicing Website:
<https://miservicing.genworth.com/Publications/Default.aspx>

General Information

The following information must be submitted on the stated lines when filing a Genworth Mortgage Insurance Claim for Loss:

1. Indicate the type of insurance Policy under which the Claim is being filed (primary or pool)
2. Indicate the type of Claim being filed (initial or supplemental)
3. Mortgage Insurer's name - *Genworth Mortgage Insurance*
4. Indicate the date that the Claim is being submitted to Genworth Mortgage Insurance
5. Mortgage Insurer's address - *8325 Six Forks Road, Raleigh, NC 27615*
6. Mortgage Insurer's telephone number
7. Insured's Name - The Company that should receive the Claim proceeds, unless superseding instructions are indicated in Lines 20 through 22.
8. Insured's Loan Number
9. Insured's Address
10. Genworth certificate number
11. Insured's City, State and Zip Code
12. Not applicable (leave blank)
13. Enter the full name of the Borrower(s)
14. Enter the percent of insurance coverage that applies to the insurance certificate
15. Not applicable (leave blank)
16. Complete Property Address, including the unit number if applicable
17. Servicer Name (If different than the Insured)
18. Servicer Loan Number
19. Servicer Address, including City, State and Zip Code (If different than the Insured)
20. Payee Name (If different than the Insured)
21. Payee Loan Number
22. Payee Address, including City, State and Zip Code (If different than the Insured)
23. Investor Name (If different than the Payee)
24. Investor Loan Number

Claimable Items

25. Unpaid Principal Balance of the Loan at the time of Default (excluding interest, taxes, interest capitalization, etc.)
 - Interest at the note rate, which has accumulated from the Default date through the date of Claim submission. Late charges and penalty interest are not claimable expenses.
 - See Line 49 for calculating interest on an ARM Loan. Enter the number of days, interest rate, and per diem rate. Genworth Mortgage Insurance uses a 360-day year in interest calculations.
26. Partial Forbearance Unpaid Principal Balance amount and accumulated interest
27. Sub-Total for Principal and Interest (Lines 25 plus Line 26)

Expense Information

Itemize the following expenses on Lines 50-55:

28. Actual Attorney Fees incurred, must not exceed 3% of Line 27
29. Property Taxes paid by your institution. Indicate the date the taxes are paid through. Late charges and penalty interest are not claimable expenses.
30. Hazard Insurance premium(s) paid by your institution. Indicate the date the insurance premium(s) are paid through.
31. Property Preservation expenses including normal maintenance, lawn care, heating, clearing away debris, etc. Restoration expenses such as painting, carpet cleaning, etc., are not claimable expenses without prior approval by Genworth Mortgage Insurance.
32. Statutory Disbursements such as publication fees, filing fees, recording fees, etc.
33. Other Disbursements for expenses not included above
34. Sub-Total Claimable Items (Lines 27 through Line 33)

Deductible Items

35. Enter the escrow balance at Default. If negative balance, provide a detailed breakdown.
36. Rent and other receivables. Indicate any funds received that are not reflected in the escrow account.
37. Money in any pledged account pertaining to the Loan (savings, buy-downs, or other funds held for the Insured).
38. Indicate all hazard insurance premium refunds, or any insurance proceeds that exceed the cost of restoring and repairing the property.
39. This line is for all other deductions not included above.
40. Sub-Total for Deductible Items (Lines 35 through Line 39)
41. Total Claim Amount (Line 34 minus Line 40)
42. If a pool Claim, indicate the amount of the primary settlement or VA/FHA proceeds and attach copy of primary Claim for Loss settlement check and settlement letter. If a presale, indicate net proceeds from sale of property and attach copy of closing statement.
43. Adjusted Claim Amount (Line 41 minus Line 42)
44. Any comments that may further explain the above entries and/or provide information related to processing the Claim.

Claim Authorization

Certify that all statements submitted are true, correct, and complete. In addition, the Insured certifies that the property is not subject to any environmental contamination or hazards. An authorization signature, contact name, title, and phone number verifying this information are required.

45. Authorized Signature of person certifying all statements are true, correct, and complete.
46. Contact Name
47. Title/Department
48. Phone Number of Contact Name

Interest on ARM Loans

This section is provided for ARM Loans. If additional space is needed, attach a separate sheet of paper.

49. Enter the unpaid principal balance shown on Line 25.

Interest Calculation

Enter each applicable ARM interest rate and date in effect. Calculate the number of days involved, and enter the total interest accrued for that period. Repeat the calculation for each interest rate in effect through the date of Claim submission.

Total

Enter the total amounts for each interest rate period to calculate the total accumulated interest on the mortgage. This amount should be entered on Line 26 (accumulated interest) on the front of the form.

Expense Information

Provide a breakdown of the expense totals you are claiming on Lines 28 through 33. Indicate the date paid, item description, effective dates for taxes and insurance, and the amount. If additional space is needed, attach a separate sheet of paper.

- 50. Attorney's Fees
- 51. Property Taxes
- 52. Hazard Insurance Premium
- 53. Property Preservation Costs
- 54. Statutory Disbursements
- 55. Other Disbursements

Required Enclosures

Line #56 - The following documentation is required in order to perfect a Claim. **A failure to provide complete documentation of all items listed below may cause a delay in processing the Claim and may also result in a reduction or curtailment of Claim benefits**, as more fully described in Section 3(b) of this Guide:

Customer Service/Loss Mitigation Documentation:

- All documentation of current (and prior, if applicable) Servicer's notes and activity throughout the delinquency period pertaining to:
 - Customer service/contact
 - Bankruptcy, including your attorney's loss mitigation efforts during Bankruptcy
 - Collections
 - Servicing
 - Loss mitigation
 - Foreclosure
 - Any other servicing activities
- All documents pertaining to (if applicable)
 - Property valuations related to Foreclosure, liquidation and loss mitigation
 - Loan modifications, including the executed modification agreement

- Short Sale/Presale/Deed-in-Lieu, including an interior appraisal or BPO of value for delegated short sales on Fannie Mae and Freddie Mac Loans
- SCRA (Servicemembers Civil Relief Act)

Claims Review Documentation

- Detailed Foreclosure chronology (prepared by a Foreclosure attorney or agent)
- Complete pay history
- Bankruptcy documents (if applicable), including bankruptcy filing and release/discharge dates
- Evidence of acquisition of title (unrecorded deed is acceptable)
- If a third party outbids at Foreclosure, a copy of the third party check and sale documents including the bid amount
- All invoices related to any advances or expenses paid
- The final signed closing statement from a presale
- If a pool Claim and Genworth is not the primary insurance carrier, a copy of the primary Claim settlement check and settlement letter
- VA/FHA proceeds

We may also request additional documents to support amounts claimed or to document events between Loan origination and Claim filing.

Short Sale Documentation

In cases where short sale approval has been delegated to the Servicer on Fannie Mae or Freddie Mac loans, the entire short sale file is required including an interior appraisal or BPO and must be submitted with a Claim.

Submitting Documentation

Documentation can be submitted via fax or email as follows:

- **Via Fax:** 919 870.3821
- **Via Email:** ClaimsSupportDocsOnly@genworth.com

As provided for in the applicable Genworth Policy, Genworth reserves the right to require additional documentation.

Access Information

Line #57 - Please complete the requested information regarding access to the property. If occupied, please state the name of the occupant. In addition, indicate the name of the contact person the key can be acquired from and their telephone number.

THE COMPLETED PAPER CLAIM FOR LOSS SHOULD BE MAILED TO:

GENWORTH MORTGAGE INSURANCE CORPORATION

8325 SIX FORKS ROAD

RALEIGH, NC 27615

OR

FAX TO 919 846.4514

OR

EMAILED TO GNW.CLAIMS@GENWORTH.COM

**For additional information of questions, please contact our
Claims Operations Department:**

800 334.9270

e) Supplemental Claims

You may submit a supplemental Claim for certain advances paid within 90 days from the initial Claim Settlement Date.

f) Foreclosure Times and Redemptions by State

The Foreclosure Time and Redemption by State document can be found on the Genworth MI Servicing Website at <https://miservicing.genworth.com/Publications/Default.aspx>

g) Protection and Preservation

In order to protect the Insured's rights under the Policy, the Servicer should ascertain the occupancy status and condition of the property immediately following the conveyance of Title to the Insured. Also, the Servicer should take appropriate measures to assure that title is good and marketable and assure that the property is preserved and protected. Therefore, it is the Servicer's responsibility to advance:

- Normal and customary hazard insurance premiums
- Real estate taxes that come due and payable on or after the day of Default
- The cost of engaging in Foreclosure and eviction proceedings
- Reasonable attorney fees not exceeding 3% of the outstanding principal balance and accumulated interest
- Reasonable expenses necessary for the protection and preservation of the property

Although prior approval for advances is not required by Genworth, the Servicer is encouraged to obtain prior approval since Genworth reserves the right to disallow advances if in Genworth's judgment the advances were not reasonable or necessary.

h) Exclusions from Liability

Genworth shall not be liable for, and the Policy shall not extend to or cover the following:

- Breach of Conditions and Insured's Obligations
- Negligence
- Fraud and Misrepresentation
- Incomplete Construction
- Non-Approved Servicer
- Physical Damage
- Environmental Conditions
- Balloon Payment; Due on Sale Acceleration

Consult the applicable Policy for complete details or contact the Claims Department at 800 334.9270 or gnw.claims@genworth.com for additional information.

i) Listing and Sale of REO Properties

Immediately after the Insured has obtained title to a property and the property is vacated, the Servicer should obtain a Broker's Opinion of Value or Appraisal and list the property for sale at fair market value. Any offers received prior to the settlement of the Claim must be presented to Genworth for approval or rejection. Failure to timely list properties for sale or to present offers to Genworth may result in an adjustment to the final Claim settlement.

j) Delinquent Real Estate Taxes Prior to Default

When a Loan has an established escrow account, real estate taxes are paid from the escrow account prior to and after the Default of the mortgage Loan. However, in the case of a non-escrowed mortgage Loan, the Borrower may not have paid real estate taxes when they were due. Typically, this occurs in California where mortgage Loans are predominantly non-escrow but can also occur in other states.

The Servicer has the responsibility for protecting the first lien position of the insured mortgage Loan and providing good and marketable title to Genworth prior to the Claim payment. In order to meet the above requirements the Servicer must diligently service the Loan by having tax searches done following the due date of each tax installment and take the appropriate action to ensure that the Borrower pays any past due installments.

It has been Genworth's practice to allow, as part of the Claim, the most recent and second installment (as limited below) of delinquent taxes that were due immediately prior to Default (e.g., on California non-escrow Loans if the Loan is due for August 2012, Genworth would allow the April 2012 and the December 2011 tax installments as claimable if they were delinquent at the time the mortgage Loan went into Default). Genworth reserves the right to change this practice without notice.

The second installment will only be allowed as claimable if the Servicer provides evidence at the time the Claim is filed that diligent efforts were made to contact the Borrower in reference to delinquent taxes. Evidence must include collection histories and copies of certified letters to the Borrower in which the Borrower is reminded that failure to pay real estate taxes when due could result in acceleration of the mortgage Loan. Evidence may also include copies of repayment plans signed by the Borrower in the event the Servicer chooses to advance funds to pay this installment. Any payments by the Borrower under such repayment plan must be shown as credited against the advance. If after attempts to remedy the situation, the Borrower does not pay the delinquent taxes or is uncooperative in repaying an advance made by the Servicer, the Servicer should establish an escrow account according to the laws of the jurisdiction.

4) 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.

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.

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

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

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.

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.

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

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 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.

Workout - Assistance to a Borrower with a hardship resulting in the Loan becoming current, or the liquidation of the property.