



National Mortgage Insurance Corporation  
DELEGATED UNDERWRITING ENDORSEMENT – AS08.12.01 (p) 09 15

It is understood and agreed that:

Unless otherwise agreed by the Company and Insured, this Delegated Underwriting Endorsement (“Endorsement”) shall apply to a Loan (where applicable, “Loan” or “Delegated Underwritten Loan”) only if the Certificate (where applicable, “Certificate” or “Delegated Underwritten Certificate”) for the Delegated Underwritten Loan is issued on or after the date on which this Endorsement is executed and delivered to the Insured and thereby made part of the Insured’s Mortgage Guaranty Insurance Master Policy (AS08.12.01 07 13), as amended by all applicable endorsements, including, but not limited to that certain Amendatory Endorsement No. 1 (AS08.12.01 (o) 07 15) (collectively, the “Policy”);

The Endorsement shall be substituted for and replace in its entirety the “Delegated Endorsement: Post Close Underwriting Review” (AS08.12.01 (b) 07 13) with respect to all Delegated Underwritten Certificates issued on or after the effective date;

The Delegated Underwriting Program created by, and evidenced in, this Endorsement and the Policy as amended by this Endorsement shall apply to the issuance of each Delegated Underwritten Certificate and the coverage for the Delegated Underwritten Loan listed thereon; and

The Policy shall be deemed to be amended as set forth below only with respect to Delegated Underwritten Loans and the related Delegated Underwritten Certificates, and shall not be amended by this Endorsement in connection with any Loans that are not Delegated Underwritten Loans.

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The Policy is hereby amended as follows for each Delegated Underwritten Loan and its related Delegated Underwritten Certificate:

**Any reference to Certificate in the Policy shall include the term [Delegated Underwritten Certificate](#).**

**The following Policy Definition shall be deleted and replaced with:**

**Application** means a request by the Insured for coverage on a Loan under this Policy submitted on a Delegated Underwriting Transmittal, which shall identify the Loan as a Delegated Underwritten Loan and shall provide such other information required by the Company to issue a Delegated Underwritten Certificate.

**The following shall be added as SECTION I.B.5:**

5. **Delegated Underwritten Loan.** Each Delegated Underwritten Loan meets the Underwriting Guidelines and Eligibility Criteria in effect as of the Certificate Effective Date.

**A new Definition shall be added to the Policy as follows:**

**Delegated Underwriting Requirements** means the specific procedures and processes that the Insured shall comply with to be eligible for, and maintain eligibility with, the Delegated Underwriting Program, as agreed by the Company and the Insured at the time this Endorsement is issued, which shall include, among other terms, (i) counterparty monitoring requirements, and (ii) the nature, timing, and scope of audits to be performed under the Delegated Underwriting Program, as well as remedial actions that shall be available to the Company in the event of non-compliance therewith, which shall include, but not

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be limited to, suspension or termination of this Endorsement in accordance with Section VI.M.4 of the Policy. The Delegated Underwriting Requirements are in addition to, and do not modify, the Eligibility Criteria or Underwriting Guidelines. In the event of any conflict or inconsistency between the Delegated Underwriting Requirements on the one hand, and the Underwriting Guidelines or Eligibility Criteria on the other, the latter shall govern. Upon 60 days prior notice to the Insured, the Company may revise the Delegated Underwriting Requirements. The notice to Insured shall specify the effective date of the revision (“Revision Effective Date”), which shall be no less than 60 days following the notice date. The revised Delegated Underwriting Requirements shall apply only to Delegated Underwritten Certificates issued in respect of Delegated Underwriting Transmittals submitted by the Insured on or after the Revision Effective Date.

#### **Section I.C.2. shall be deleted and replaced with the following:**

##### **2. Approval of Application.**

- (a) Submission of Delegated Transmittal Form. To extend coverage to a Loan and to be considered a Delegated Underwritten Loan under this Policy, the Insured shall within seven (7) Business Days after the Loan is Closed or such other period as may be agreed to in writing by the Insured and the Company, submit a completed Delegated Underwriting Transmittal Form or other form or medium for transmitting data as may be approved by the Company (“Delegated Underwriting Transmittal”), which requests or directs the Company to issue its Delegated Underwritten Certificate with respect to the identified Delegated Underwritten Loan. By submitting a Delegated Underwriting Transmittal, the Insured represents that the Delegated Underwriting Transmittal is true and correct in all material respects, is consistent with the Origination File, and that the Loan has been underwritten in strict accordance with, and fully complies with, the Eligibility Criteria, the Underwriting Guidelines and the Delegated Underwriting Requirements. Such representations are binding on the Insured and all Third Party Beneficiaries, regardless of whether or not such persons knew or reasonably should have known that the Loan did not comply with the Underwriting Guidelines, Eligibility Criteria or Delegated Underwriting Requirements, and/or the Delegated Underwriting Transmittal is inconsistent with the Origination File. The Insured understands and acknowledges that the Company may, but is under no obligation to, review, underwrite and/or verify any of the information or statements made in a Delegated Underwriting Transmittal, an Origination File and/or any other information or statements submitted by the Insured or any First Party in connection with the issuance of a Delegated Underwritten Certificate and that the Company retains its full rights under Section I.G of the Policy for so long as a Delegated Underwritten Certificate is in effect under the Policy, subject to Section I.H.
- (b) Issuance of Delegated Underwritten Certificate. In reasonable reliance on the truthfulness and accuracy of the Application, the Delegated Underwriting Transmittal and all information and statements submitted therewith, and subject to the representations made by the Insured under Sections I.C.2(a) and I.F of the Policy, the Company shall issue a Delegated Underwritten Certificate extending coverage to the Delegated Underwritten Loan pursuant

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to the terms of both this Policy and the Delegated Underwritten Certificate, within one (1) Business Day of receipt of the Delegated Underwriting Transmittal or other approved form of transmittal; provided, however that if the Delegated Underwriting Transmittal shows that the Loan does not meet the Underwriting Guidelines, the Delegated Underwriting Requirements or Eligibility Criteria then in effect, the Company may decline to issue a Delegated Underwritten Certificate. Notwithstanding the foregoing, the Company is under no obligation to review the Delegated Underwriting Transmittal or to confirm that the Delegated Underwritten Loan referenced therein complies with the Underwriting Guidelines and/or Eligibility Requirements then in effect.

**The following provision shall be added as Section VI. M.:**

**M. Delegated Underwriting Program Provisions.**

1. **Term of the Delegated Underwriting Program.** The Company shall continue to extend coverage to Delegated Underwritten Loans originated by the Insured under the terms of the Delegated Underwriting Program until the Company terminates the Delegated Underwriting Program by giving thirty (30) days prior written notice of such termination or the Policy is cancelled in accordance with Section I(E)(5) (Cancellation of Master Policy). Such termination of the Delegated Underwriting Program or cancellation of the Policy shall not affect coverage under Delegated Underwritten Certificates that have been issued prior to the effective date of such termination or cancellation. Termination of the Delegated Underwriting Program will not cancel the Policy.
2. **Changes in the Guidelines.** Upon 60 days prior notice to the Insured, the Company may amend the Underwriting Guidelines or Eligibility Criteria. Any Loans with a Delegated Underwritten Certificate date more than sixty (60) days after notice of such changes must comply in all material respects with the Underwriting Guidelines and/or Eligibility Criteria, as so amended, to be eligible for coverage under the Policy. Loans with a Delegated Underwritten Certificate date prior to the expiration of the sixty (60) day notice period shall comply in all Material respects with the Underwriting Guidelines and Eligibility Criteria in effect at the time such Loans received a Delegated Underwritten Certificate.
3. **Auditing Procedures.** Subject to the Delegated Underwriting Requirements, the Company shall have the right to periodically audit, during normal business hours upon reasonable advance notice, the records, books and accounts of the Insured or the Servicer pertaining to the Delegated Underwritten Loans for compliance with the terms of the Policy, the Underwriting Guidelines, the Eligibility Criteria and the Delegated Underwriting Requirements. In addition, the Insured or the Servicer shall, within 60 days of written request by the Company, forward a complete copy of the Origination File on any Delegated Underwritten Loan. Further, the Company shall have the right to review and copy the Insured's or the Servicer's files and records pertaining to any Delegated Underwritten Loans insured under the Policy pursuant to the Delegated Underwriting Program. Such files and records shall include, but not be limited to, records of quality control reviews conducted by

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the Insured, which shall be furnished by the Insured to the Company upon the Company's request.

4. **Suspension and Termination.**

a) In addition to adherence to the Underwriting Guidelines and the Eligibility Criteria, the Insured has an ongoing obligation to comply with the Company's counterparty monitoring requirements as set forth in Section VI.L of the Policy and the Delegated Underwriting Requirements. From time to time, the Company will review the Insured's performance and compliance with its then-current counterparty monitoring requirements, which may include but shall not be limited to the components of the monitoring and escalation process detailed in Section VI.L. (Loan Manufacturing Process) hereof. The Company may perform additional quality control testing on loan submissions and/or periodic samples on an on-going basis. If the Company determines, after providing evaluative feedback to the Insured on a periodic basis and conferring with the Insured on recommendations to improve portfolio performance, that the Insured has not been Materially complying with the Underwriting Guidelines and/or the Eligibility Criteria, has not maintained conformity with the Company's counterparty approval requirements and/or the Delegated Underwriting Requirements, or otherwise has not complied with the terms of the Policy, the Company has the right, at its discretion and depending upon the incidence and nature of the lack of compliance, to either:

- (1) notify the Insured of the Company's intention to suspend or terminate the Insured's participation in the Delegated Underwriting Program after thirty (30) days unless the Company's concerns have been adequately addressed. If the Company suspends the Insured and does not discontinue the suspension within thirty (30) days after written notice of its intent to suspend, the Insured's ability to extend coverage to loans under the Delegated Underwriting Program shall terminate at the end of that thirty (30) day period; or
- (2) suspend or terminate the Insured's ability to extend coverage to loans under the Delegated Underwriting Program upon three (3) Business Days written notice. In this Section VI.M.4, "loans" means loans having Applications which are dated more than three (3) Business Days after the date of the notice of suspension.



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This Endorsement does not apply to any Certificate that is not a Delegated Underwritten Certificate nor does it modify the Policy or extend coverage on any Loan that is not a Delegated Underwritten Loan. All conditions of the Policy not modified by this Endorsement remain in full force and effect for all Loans insured under the Policy.

**NATIONAL MORTGAGE INSURANCE CORPORATION**

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PRINCIPAL OFFICER

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SECRETARY

SAMPLE