



National Mortgage Insurance Corporation Oklahoma State Variation Endorsement to Master Policy Mortgage Guaranty Insurance (AS08.12.01 07 13)

Upon the Company's issuance of this endorsement to the Insured, the Mortgage Guaranty Insurance Master Policy, Form No. AS08.12.01 07 13 (the "Policy") is hereby amended as follows for each Loan and its related Certificate to the extent required by Oklahoma law.

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Policy.

1. The reference in **Section I.D.4 Renewal** to "thirty (30) days notice" is hereby deleted and replaced with "forty five (45) days' notice."
2. **Section I.E.5 Cancellation of Master Policy** is hereby deleted and replaced in its entirety with the following language:
 5. Cancellation of Master Policy.

(a) Cancellation of the Policy by the Company

For the avoidance of doubt, once a Certificate has become effective with respect to a Loan, this Policy may not be cancelled by the Company for as long as any Certificate issued under this Policy remains in force. Notwithstanding the foregoing, the Company is under no obligation to issue Commitments or Certificates under this Policy and may cease issuing new Commitments and Certificates without prior notice to the Insured. If there are no Certificates in force under this Policy, the Company may cancel the Policy by giving the Insured ten days' advance written notice.

Further to the terms of this Section I.E.5 (a) of the Policy and subject to the provision above that the Company shall not cancel the Policy for any reason while any Certificate issued under the Policy remains in force, the State of Oklahoma seeks to clarify that, after forty five days from the effective date of issuance of the Policy, the Company may not cancel the Policy unless it is based on one of the following reasons:

- 1) Nonpayment of premium;
- 2) Discovery of fraud or material misrepresentation in the procurement of the insurance or with respect to any claims submitted hereunder;
- 3) Discovery of willful or reckless acts or omissions on the part of the Insured which increase any hazard insured against;
- 4) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- 5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
- 6) A determination by the Oklahoma Insurance Commissioner that the continuation of the

Policy would place the Company in violation of the insurance laws of the State of Oklahoma;

- 7) Conviction of the Insured of a crime having as one of its necessary elements an act increasing any hazard insured against; or
- 8) Loss of or substantial changes in applicable reinsurance.

(b) Cancellation of the Policy by the Insured

If the Insured desires to cancel this Policy, it may do so by cancelling all outstanding Certificates that have been previously issued under this Policy, including outstanding Certificates on any Loans that are delinquent, in which case (a) any premium previously paid that is unearned (after application of the Company's cancellation schedule) as of the effective date of cancellation shall be returned to the Insured or its Servicer and (b) any premium earned but not paid as of the effective date of cancellation shall be paid to the Company. In calculating any such premium refund, the Company may net out amounts due to the Company pursuant to this Policy.

- 3. **Section VI. E. Governing Law; Conformity to Statute** is hereby deleted and replaced in its entirety with the following language:

This Policy, including the Certificate, and the Claim or Insurance Benefit related to any Loan, shall be governed by the law of the State of Oklahoma. Any provision of this Policy that is in conflict with the laws of such jurisdiction is hereby amended to conform to the minimum requirements of that law, it being the intention of the Insured and the Company that the specific provisions of this Policy shall be controlling whenever possible.

- 4. **Section VI. F. Arbitration** is hereby deleted and replaced in its entirety with the following language:

Unless prohibited by applicable law, any controversy or dispute, including any Claim made hereunder, arising out of or relating to this Policy, or the breach, interpretation or construction thereof, may, upon the mutual consent of all parties to the dispute, be settled by arbitration in accordance with the laws of the State of Oklahoma. For the avoidance of doubt, no provision of this Policy shall be construed to require any Third-Party Beneficiary that is a GSE to submit to arbitration hereunder, and any decision rendered by an arbitrator relating to this Policy shall have no applicability to or be of any force or effect against any Third-Party Beneficiary that is a GSE unless the GSE consented in writing to the arbitration.

This endorsement shall vary, alter, waive or extend any terms, conditions, provisions, agreements or limitations of the above referenced Policy only as noted above.

NATIONAL MORTGAGE INSURANCE CORPORATION

PRINCIPAL OFFICER

SECRETARY