

Default Management Servicing and Reporting Guide

April 1, 2015

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Genworth 



GENWORTH MORTGAGE INSURANCE CORPORATION
DEFAULT MANAGEMENT SERVICING AND REPORTING GUIDE
JANUARY 10, 2014 AND OCTOBER 1, 2014 (REVISED APRIL 1, 2015)

This *Default Management Servicing and Reporting Guide* (the “Guide”) replaces all previous Default Management Servicing and Reporting Guides for servicing activities occurring on or after the effective date of this Guide.

Please note that for all Genworth insured Loans issued under any Genworth master Policy of mortgage insurance (collectively, the “Policy”), regardless of the effective date of insurance coverage, the Genworth Default servicing requirements for servicing activities occurring on or after January 10, 2014 have aligned with the Consumer Financial Protection Bureau’s Mortgage Servicing Rule (“CFPB Rule”) and GSE Default servicing requirements (“GSE Guidelines”). Therefore, Servicers who comply with the requirements of the CFPB Rule and GSE Guidelines for servicing activities occurring on or after January 10, 2014 will be in compliance with the Default servicing requirements of this Guide.

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SUMMARY OF CHANGES

Summary of changes effective with this Guide

- This *Default Management Servicing and Reporting Guide* (the “Guide”) replaces all previous Default Management Servicing and Reporting Guides for servicing activities occurring on or after the effective date of this Guide
- Loss Mitigation Exception in Section 2 has been removed from previous guides
- *Genworth Loss Mitigation Review Process* grids referenced in Section 2 of this guide, will be available for review on the servicing website: <https://miservicing.genworth.com/Publications/Default.aspx>

1) OVERVIEW

To support the transition to the new master policy form MP 1480, effective for mortgage guaranty insurance applications received on or after October 1, 2014 (hereafter, “MP 1480”), Genworth has established a Master Policy Resource Center on our corporate website at <http://mortgageinsurance.genworth.com/OurCommitment/MasterPolicyResources.aspx> that contains implementation resources, including a high level change summary and FAQ documents

1A) INTRODUCTION

The applicable Policy sets forth the terms and conditions that govern mortgage insurance issued by Genworth. Please refer to the applicable Policy for complete details. This Guide is intended to provide clarification, illustrative examples and supplemental information on the requirements of the Policy. In the event the requirements of the Policy or this Guide are not followed it may, in certain circumstances, result in cancellation of coverage, rescission, reduction in the Insurance Benefit, or Claim denial. If there is a conflict between this Guide and the Policy, the terms and conditions of the applicable Policy will control. For ease of reference, capitalized terms used and not defined in this Guide have the meanings set forth in MP 1480.

Genworth is committed to paying all legitimate Claims under the terms of the Policy. Effective Default servicing and loss mitigation is required of Servicers under the Policy. Effective servicing may avoid foreclosure, reducing losses to all interested parties and allow Borrowers to retain their home. Servicers must actively cooperate with and assist Genworth in preventing and mitigating losses.

The goal of Genworth is to provide mortgage insurance (“MI”) coverage and exceptional customer service. We have provided the information in this Guide to help you better understand the process for:

- Mitigating Loss
- Default Servicing Requirements
- Appropriate Proceedings

- Servicer Workout Delegation
- Workouts
- Reporting Requirements

Mitigating Losses – Servicers must prevent and mitigate loss in a reasonable and prudent manner consistent with generally accepted standards of servicing in the first-lien residential mortgage industry. This includes efforts to obtain a cure of the Default, inspection and appraisal of the Property, offering a Borrower who has the willingness and ability to cure the Default a Workout, and diligently pursuing and completing Appropriate Proceedings. Servicers must consider all available Workout opportunities and minimize foreclosure and bankruptcy timelines and associated claimable expenses.

Servicer Requirements – Genworth’s loss mitigation requirements align with the CFPB Rule and GSE Guidelines. Servicers must adhere to the CFPB Rule and GSE Guidelines for Default servicing and Workout activities. Servicers who follow the requirements of the CFPB Rule and GSE Guidelines will also be in compliance with Genworth servicing requirements and this Guide. In cases where the CFPB Rule and GSE requirements are not identical, Servicers should adhere to the more stringent requirement, consistent with CFPB guidance.

MP 1480 The Default management provisions of this Guide do not apply to Loans insured for a State Housing Finance Agency. For Default servicing of such Loans, in general Servicers have a duty to mitigate insured losses in accordance with the applicable investor guidelines and Genworth specific servicing requirements.

All other policies This Guide applies to all Loans except those insured for a Federal Home Loan Bank, State Housing Finance Authority (including CalHFA), structured transactions (bulk) or Pool Insured Loans.

Genworth is prepared to provide additional assistance should you have any questions or comments regarding this Guide. Please contact the Genworth ActionCenter® at 800 444.5664 or via email at action.center@genworth.com. The ActionCenter is staffed from 8 a.m. to 8 p.m. eastern time to provide you with any support you may need.

1B) NON-COMPLIANCE

All servicing and loss mitigation activities and efforts must be fully documented in the Servicing File. In order to perfect a Claim in accordance with the Policy, the complete Servicing File must be submitted.

Failure to maintain and provide the complete Servicing File, or failure to comply with the CFPB Rule, GSE Guidelines, the Policy or this Guide may cause a delay in processing the Claim and may also result in cancellation of coverage, a denial of a Claim, or a reduction of the Insurance Benefit.

1C) 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 shall also maintain policies and procedures reasonably designed to ensure the Servicer can achieve the following objectives: (1) access and provide timely and accurate information to Borrowers, (2) properly evaluate loss mitigation options, (3) facilitate oversight and compliance of service providers, (4) facilitate transfer of information during servicing transfers, and (5) inform Borrowers of error resolution and information request procedures.

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.

1D) DEFAULT SERVICING REQUIREMENTS

Early and Ongoing Delinquency Contact (including collection, Workout and loss mitigation)

Servicers must meet the early intervention, continuity of contact and loss mitigation requirements set forth in the CFPB Rule and GSE Guidelines.

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 Applicable Law. If collection or reinstatement is not possible, the Borrower must be considered for all available Workout options.

In accordance with the Policy, this Guide, the CFPB Rule and GSE Guidelines, 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 good faith efforts to cure the Default, including prompt and ongoing Borrower contact, offering Borrowers who have the willingness and ability to cure the Default a Workout and, if such attempts are unsuccessful, to effectuate the early disposition of the Property.

Genworth's loss mitigation review team audits Claims for consistent effort and compliance to this Guide and the Policy throughout the delinquency period. The documentation in the Servicing File should contain evidence of good faith efforts to establish live contact with Delinquent Borrowers, written notices to Delinquent Borrowers of available loss mitigation options, and notes detailing conversations with the Borrower regarding Workout options (including repayment plans, modifications, HAMP, HAFA, forbearance, short sale, deed-in-lieu of foreclosure).

2) LOSS MITIGATION REVIEW PROCESS

Loss Mitigation Exception Section from the January 10, 2014 and the October 1, 2014 Default Servicing Guides have been removed (04/01/2015)

Genworth has provided its *Loss Mitigation Review Process grids* for your convenience. *The grids* can be found on the MI Servicing website:
<https://miservicing.genworth.com/Publications/Default.aspx>

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 consistent with GSE Guidelines and the CFPB Rule.

Genworth requires foreclosure to commence within 30 days after the Loan remains in Default for 6 consecutive months, unless otherwise prohibited under GSE Guidelines, the CFPB Rule, or Applicable Law. Once foreclosure is commenced, the Servicer must diligently pursue completion of the foreclosure in accordance with Applicable Law.

Genworth reserves the right to direct the Servicer to commence foreclosure earlier and in accordance with the Policy terms, subject to Applicable Law. If the Property has been abandoned, Borrower refuses to cooperate, or if no Workout is possible, the Servicer must document the Servicing File accordingly and is instructed to expedite the foreclosure process to the extent permitted under Applicable Law. No further written instruction is required from Genworth.

Unless prohibited by the CFPB Rule, GSE Guidelines or Applicable Law, Genworth requires Servicers to consider both Workouts and foreclosures independently. Even after the initiation of foreclosure, the Servicer must continue to pursue Workout options with the Borrower. Completion of foreclosure must be diligently pursued in accordance with Applicable Law and within the GSE state foreclosure timelines. Any foreclosure delays must be permitted by GSE Guidelines, the CFPB Rule or Applicable Law. If a foreclosure action extends beyond the foreclosure timelines, the Servicer must document the Servicing File with an explanation of the delay and submit a chronological listing of events on attorney letterhead to explain the delay if a Claim is filed.

See the Claim and Foreclosure Bidding Servicing Guide for foreclosure bidding instructions.

4) BANKRUPTCY

Genworth requires Servicers to (1) follow GSE Guidelines and (2) minimize the time a Loan is affected by bankruptcy by expeditiously preparing required documentation.

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 by pursuing liquidation options such as a short sale or deed-in-lieu of foreclosure with the Borrower or the Borrower's attorney.

Servicers must within 60 calendar days pursue and document loss mitigation activity in the Servicing File after obtaining a lift-of-stay, discharge or dismissal from bankruptcy as permitted by Applicable Law. Also, 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) Appropriate Proceedings. 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.

5) SERVICER WORKOUT DELEGATION

All Workouts must be approved by Genworth, and Genworth's approval must precede any notification of approval to the Borrower.

There are two approval options: (i) Servicer or investor Workout delegation granted by Genworth, or (ii) 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.

Principal reduction Loan modifications are not included in Genworth's Workout delegation and must be submitted to Genworth for case-by-case Workout approval.

All Genworth Servicers have broad-based Workout delegation, including retention Workout and liquidation Workout types (unless otherwise notified). A copy of the current Workout delegation can be obtained by contacting the Genworth ActionCenter at action.center@genworth.com or 800 444.5664. Please contact the Genworth Workout delegation team at delegatedlossmit@genworth.com or 800 261.2015, if you would like to have a specific Workout Program considered.

As a condition to Servicer Workout delegation, Servicers must report Workout status (approved, completed and failed) on a monthly basis (at minimum) using the Full MILAR Template as described in Section 12B of this Guide. As an alternative, approved Servicers may utilize Genworth's delegated online workout reporting tool and the Minimal MILAR Data Set as described in Section 12B of this Guide. Copies of the Full MILAR Template and Minimal MILAR Data Set can be found at <https://MIservicing.genworth.com>.

MP 1480 Failure to report Workout status within 30 calendar days of a status change may result in a reduction of the Calculated Loss for a Claim, and if such non-compliance continues for a period 12 months, cancellation of coverage or denial of a Claim.

For non-GSE 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

6A) WORKOUT ORDER

Unless otherwise permitted under the CFPB Rule and GSE Guidelines, Genworth requires that Borrowers be considered for Workouts in the following order:

- **First:** Retention Workouts (repayment plan, modifications, 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 for or refuses to cooperate in any retention Workout. Liquidation Workout documentation in the Servicing File should include discussions with the Borrower regarding the listing of their Property, short sale and deed-in-lieu of foreclosure options.

MP 1480 However, these requirements do not restrict the Servicer or GSE Beneficiary from electing to foreclose on a Property, but note that the Insurance Benefit may be reduced if such foreclosure results in non-compliance with the servicing requirements of the Policy.

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

6B) WORKOUT APPROVAL BY GENWORTH

All Workouts must have prior approval by Genworth unless approval authority has been delegated as described in section 5 above.

MP 1480 Within 10 Business Days of receiving a request for approval Genworth will approve or deny the request. If additional information is needed to evaluate the request, we will deny the request within 10 Business Days and indicate the additional information that is required. If we do not respond within this timeframe, the request is deemed to be approved.

MP 1480 If, however, there is a delegation agreement between Genworth and the Servicer or a GSE Beneficiary, our failure to respond to a Workout request within 10 Business Days shall not be construed to be an approval of any Workout that does not comply with the terms of the delegation agreement.

6C) IMMINENT DEFAULT

Unless otherwise permitted under GSE Guidelines, 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.

6D) 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, Servicer must consider a liquidation Workout to mitigate losses, with appropriate Borrower contribution, based on the Borrower’s financial situation.

6E) PRINCIPAL REDUCTION LOAN MODIFICATION

MP 1480 The amount of principal reduction may be included in the Calculated Loss of a Claim, but only if the principal reduction modification is approved by Genworth. The claimable principal reduction amount will be determined by the terms and conditions of the Genworth Workout approval letter. Note: Principal reduction modifications are NOT included in Genworth’s Workout delegation and must be submitted for case-by-case review. In the event a principal reduction modification is completed and the terms are not approved by Genworth, the amount of the principal reduction may not be included in the Calculated Loss and therefore the Insurance Benefit may be reduced.

MP 1480 As further clarification, the principal reduction must be funded by the Initial Insured, the Insured (including the Servicer) or the Beneficiary. As an example, portions of principal reduction funds obtained through state Hardest Hit programs or HAMP programs are not included in the Calculated Loss of a Claim.

6F) 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 in the Servicing File. 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

6G) REPORTING

Servicers must report Workout status (approved, completed and failed) on a monthly basis (at minimum) utilizing the Full MILAR Template, or the Minimal MILAR Data Set, as described in Section 12B of this Guide. Copies of the Full MILAR Template and Minimal MILAR Data Set can be found at <https://MIservicing.genworth.com>.

MP 1480 Failure to report Workout status within 30 calendar days of a status change may result in a reduction of the Calculated Loss for a Claim, and if such non-compliance continues for a period 12 months, cancellation of coverage or denial of a Claim.

7) RETENTION WORKOUTS

7A) 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 permitted under GSE Guidelines or 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 the Full MILAR Template (MIservicing.genworth.com) as described in Section 12B of this Guide.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth's Homeowner Assistance group. Workout packages can be mailed, faxed, emailed, or uploaded for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

EmailHOA@Genworth.com**Secure Submission**[Mlservicing.genworth.com](https://mlservicing.genworth.com)**Contact:** Genworth Homeowner Assistance at 800 455.0871**7B) 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 permitted by GSE Guidelines or 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 the Full MILAR Template ([Mlservicing.genworth.com](https://mlservicing.genworth.com)) as described in Section 12B of this Guide.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth Homeowner Assistance. Workout packages can be mailed, faxed, emailed, or uploaded for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

EmailHOA@Genworth.com**Secure Submission**[Mlservicing.genworth.com](https://mlservicing.genworth.com)**Contact:** Genworth Homeowner Assistance at 800 455.0871**7C) MODIFICATION**

A Loan modification should be offered in every case when permitted by the investor or GSE Guidelines. Modifications are completed using the US Treasury's Home Affordable Modification Program (HAMP) or any other proprietary modification program allowed by the investor or GSE Guidelines and approved by Genworth.

Workout delegation – All HAMP modifications are delegated to the Servicer. Other modifications may be delegated to the Servicer upon Genworth approval. However, for HAMP and all other Workout delegations, there is no delegation for principal reduction programs (see Section 6(e) above) or Workouts with Pre-Claim Advances (unless specifically approved by Genworth beforehand). Servicers must report Loan modification Workout status (approved, completed and failed) at least monthly using the Full MILAR Template (MIservicing.genworth.com) as described in Section 12B of this Guide.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth Homeowner Assistance. Workout packages can be mailed, faxed, emailed, or uploaded 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

7D) 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 the Full MILAR Template (MIservicing.genworth.com) as described in Section 12B of this Guide.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth Homeowner Assistance. Workout packages can be mailed, faxed, emailed, or uploaded 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

7E) BORROWER ASSISTANCE PROGRAM

The Genworth Borrower assistance program (Borrower Assistance Program) is available on many Loan types. Funds may be advanced to the Servicer in the form of a Pre-Claim Advance 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 the following requirements are met:

- A request for a Pre-Claim Advance 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 Pre-Claim Advance is expected to be repaid by the Borrower via promissory note. Those funds not repaid will be deducted from any future Claim.
- 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 Pre-Claim 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 Pre-Claim Advance, the outstanding balance will be considered in determining the allowable amount on the additional Pre-Claim 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. If the Beneficiary is a GSE payment of a Pre-Claim Advance to the Servicer will only be permitted if approved in advance and in writing by the GSE Beneficiary.

Guidelines for a Borrower Assistance Program Pre-Claim 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;
- Pre-Claim Advances will be made to the Servicer on the Borrower's behalf;
- Pre-Claim 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, emailed, or uploaded 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 SubmissionMlservicing.genworth.com**Contact:** Genworth Homeowner Assistance at 800 455.0871**8) LIQUIDATION WORKOUTS****8A) 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 Applicable 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 the status of short sales (approved, completed and failed) on a monthly basis (at minimum) using the Full MILAR Template (Mlservicing.genworth.com) as described in Section 12B of this Guide.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth Homeowner Assistance. Workout packages can be mailed, faxed, emailed, or uploaded for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

EmailHOA@Genworth.com**Secure Submission**Mlservicing.genworth.com**Contact:** Genworth Homeowner Assistance at 800 455.0871**8B) DEED-IN-LIEU OF FORECLOSURE**

A Borrower should be considered for a deed-in-lieu of 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 Applicable 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 the status of deeds-in-lieu of foreclosure (approved, completed and failed) on a monthly basis (at minimum) using the Full MILAR Template (Mlservicing.genworth.com) as described in Section 12B of this Guide.

Submission – Requests for non-delegated approvals must be submitted by secure means to Genworth's Homeowner Assistance Program. Workout Packages can be mailed, faxed, emailed, or uploaded for review. Please submit requests as outlined below:

Mail

Genworth Homeowner Assistance
8325 Six Forks Road
Raleigh, NC 27615

Fax

800 944.3642

Email

HOA@Genworth.com

Secure Submission

Mlservicing.genworth.com

Contact: Genworth Homeowner Assistance at 800 455.0871

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
- Delinquent Borrower Campaign – Genworth contacts Delinquent Borrowers and supplies Servicer contact information, website, or Workout package to be returned directly to the Servicer
- Genworth has the capability of offering full Workout package intake and initial processing on behalf of the Servicer
- 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

11A) 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”

11B) SECURE SUBMISSION PROCESS

When you transmit consumer data, it’s essential to keep the information secure. Our Secure Submission process lets you transmit data to us through our website quickly and securely. Through use of this tool on our MI Servicing Website, your document will be encrypted during the upload process and during transmission to Genworth. Contact the ActionCenter for assistance at 800 444.5664.

12) SERVICER REPORTING

There are three required reports discussed in this Guide

- Initial Notice of Default (“NOD”) or automated delinquency report template (“Monthly Default Report”), discussed in section 12A
- Monthly Delinquency Loan Status Report Form (“MDSR”) or Monthly Default Report discussed in Section 12A
- Mortgage Insurance Loan Activity Report (“MILAR”) discussed in Section 12B

Failure to provide reporting as required by the Policy and as described in Section 12 of this Guide may cause a delay in processing the Claim and may also result in cancellation of coverage, a denial of a Claim, or a reduction of the Insurance Benefit.

12A) DELINQUENCY REPORTING AND OTHER REPORTING INFORMATION

Master Policy	Reporting Type	Reporting Requirement	Documentation Genworth Will Accept
Pre 1480 Master Policy	Initial Notice of Default	<p>Please notify Genworth of a Default as soon as possible.</p> <p>A Notice of Default must be provided to Genworth within (10) days after the earlier to occur of the following: (i) the date the Borrower is three (3) months in Default, or (ii) the date when any proceeding what affects the Loan, the Property or the Insured's interest in the Loan or the Property has been commenced (bankruptcy is an 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. For a first payment Default, the NOD must be provided within forty-five (45) days after the Default.</p>	The Monthly Default Report (preferred) or the NOD Form
Pre 1480 Master Policy	Ongoing Reporting	Monthly reporting of delinquent status information should continue until the Borrower is no longer in Default, the Loan is paid in full, or a Claim has been filed with Genworth. The Servicer shall submit a final report on the resolution of the Default in the month following such resolution.	The Monthly Default Report (preferred) or the MDSR Form
Master Policy 1480	Initial Notice of Default	<p>Please notify Genworth of a Default as soon as possible.</p> <p>If the Borrower fails to make <u>2</u> consecutive Loan Payments, the Servicer shall provide a Notice of Default to us prior to the due date of the next Loan Payment.</p>	The Monthly Default Report (preferred) or the Notice of Default Form
Master Policy 1480	Ongoing Reporting	After the date that the Notice of Default is required to be provided, the Servicer shall submit, on or before the twenty-fifth (25 th) day of each month - a report on the status of the Loan and efforts to remedy the Default or complete Appropriate Proceedings including the following:	
		MP 1480 Section 6.1(b)(i) - Status of the Loan (<i>i.e.</i> , current or Delinquent by a specified number of days)	The Monthly Default Report (preferred) or the MDSR Form

Master Policy	Reporting Type	Reporting Requirement	Documentation Genworth Will Accept
		MP 1480 Section 6.1(b)(ii) - Servicer's efforts to remedy the Default, including all Workouts proposed to the Borrower and the status of Borrower contact efforts, if any	A copy of the Servicer notes illustrating the required information attached to the MDSR, Monthly Default Report, or new MILAR (see Section 12B)
		MP 1480 Section 6.1(b)(iii) -- The initiation date and status of any Appropriate Proceedings that have been commenced, together with copies of all notices and pleadings filed or required in connection with such proceedings	Status of Appropriate Proceedings information on the MDSR or Monthly Default Report. Copies of all notices and pleadings filed or required in connection with such Appropriate Proceedings are not required to be submitted, but must be made available upon Genworth's request
		MP 1480 Section 6.1(b)(iv) - The initiation date and status of any Borrower Proceedings	Borrower Proceedings are required to be reported on MILAR (see Section 12B below), they are not required to be submitted with the MDSR or Monthly Default Report
		MP 1480 Section 6.1(b)(v) - If applicable, that the Loan has been classified as uncollectable and charged-off	Loans that have been classified as uncollectable and charged-off are required to be reported on MILAR (see Section 12B below), they are not required to be submitted with the MDSR or Monthly Default Report

1) Delinquency Reporting Methods

Delinquencies are preferred to be reported via either the Data File Method or through the Online Method described below.

I. DATA FILE METHOD

Generally accepted current industry standard automated delinquency report data files can be sent over the Internet using Secure File Transfer Protocol (SFTP, which is the preferred data file transfer method) drop box or other secure-network lender websites. Additionally, data files can be received by Network Data Mover (NDM) transmission from Service Bureaus.

Reporting Delinquencies by data file eliminates the need to manually complete NOD and MDSR reporting notices. Instead, these reports are prepared automatically in an ASCII text format in the generally accepted current industry standard automated delinquency report data file layout ("Monthly Default Report"). Automated reporting should also be used to report bankruptcy and foreclosure information.

Continue using the data file to report the status of each of your Delinquent Loans on a monthly basis.

If you are not reporting Delinquencies to Genworth by data file but are interested in doing so either internally or through an outside supplier, please contact Delinquency Reporting at 800 444.5664.

II. ONLINE METHOD

You can report Delinquencies and update lender Loan number (LLN) information online. Submit a NOD or MDSR using our online tool. You can transmit information to Genworth using the tool as many times during the month as necessary; however, you can only transfer information once a day. Here's how:

First time users: Call the ActionCenter at 800 444.5664 to obtain a username and password.

How to Log on:

- Log on to <http://MIservicing.genworth.com>
- Enter your username and password
- Select Delinquency Reporting and Claims
- Select Delinquency Reporting
- Refer to the Reporting Delinquencies documents (PDF) for online reporting instructions

12B) MILAR REPORTING

MILAR is an additional report designed to capture data requirements in this Guide that are not included in the MDSR and Monthly Default Report. Servicers will not be required to comply with MILAR requirements until July 2015.

MP 1480 Reporting requirements included in MILAR:

- Servicing Report
- Notice of Proceedings Report
- Loan Charge-Off Report
- Notice of Loan Payoff Report
- Workout reporting requirements

MILAR includes the entire insured portfolio (both performing and non-performing loans, even if the loan also appears on the Delinquency report). MILAR is due by

the 25th day of the month for the prior month. Secure submission is the preferred method of transmitting MILAR.

Required workout reporting as described in the default management section of this Guide is achieved by using either the Full MILAR Template, or the Minimal MILAR Data Set as described in the chart below. Servicers will fall into one of the following three categories for MILAR reporting. The chart below is a guide to determine which MILAR (Full or Minimal) format is appropriate for your organization.

	MILAR Reporting Category	Required Report Format	July 1, 2015 Reporting Requirement
1	Delegated Workout Using Monthly Reporting	Full MILAR Template	Full Updated MILAR Template Note: Must Continue Existing Workout Reporting Format Until Full MILAR Template Is Implemented
2	Delegated Workout Using On-Line Reporting Tool	Minimal MILAR Data Set	Minimal MILAR Data Set
3	Not Using Workout Delegation	Minimal MILAR Data Set	Minimal MILAR Data Set

Copies of the full MILAR template and Minimal MILAR Data Set can be found in the Publications section of the MI Servicing website:
<https://MIservicing.genworth.com>

If you service a small portfolio of Genworth insured Loans and generating the Full MILAR Template is not practical based on low monthly workout volume, Genworth offers their Online Workout Reporting Tool on our B2B Website:
<http://mi.genworth.com>.

12C) BULK/POOL INSURANCE REPORTING

For structured transactions (bulk) or pool insured Loans, consult your specific policy for reporting requirements to ensure compliance. **Note: Earlier reporting of the initial Notice of Default may be required under bulk/pool policies of insurance.**

Loans insured under both a Genworth primary and bulk/pool Certificate should only be reported under the primary Certificate. Both Certificates will be updated concurrently.

12D) SECURE SUBMISSION PROCESS

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