

UNDERWRITING OFFICES

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| ▲ Winston-Salem, NC (Headquarters) 888-691-8075 / 888-723-0343 FAX | ▲ Horsham, PA 800-496-8885 / 800-495-6761 FAX | ▲ Lombard, IL 800-742-9904 / 888-769-9596 FAX |
| ▲ Atlanta, GA 800-832-2296 / 888-393-8001 FAX | ▲ Houston, TX 713-789-3294 / 713-975-0286 FAX | ▲ Phoenix, AZ 888-403-6660 / 888-956-7770 FAX |
| ▲ Concord, CA 877-441-2493 / 800-758-4083 FAX | ▲ Independence, OH 888-304-0704 / 888-269-7706 FAX | ▲ Tucson, AZ 877-478-0832 / 877-478-0974 FAX |
| ▲ Dallas, TX 800-587-4231 / 888-874-2303 FAX | ▲ Irvine, CA 800-345-6181 / 888-874-2304 FAX | |

DEFINITIONS OF TERMS

All Premium Rates are expressed as percentages.

Mortgage Terms: Except when specified otherwise, mortgages that amortize over more than 25 years, but not more than 40 years use the 30-year rates. Mortgages that amortize over 25 years or less use the 25-year rates.

Loan-to-Value, or LTV, is the ratio of the loan amount to the lesser of the sales price or the appraised value, expressed as a percentage. LTVs greater than 100% are limited to primary residence, owner-occupied properties for fixed-rate mortgages, including ARMs with initial terms of 5 years or more. Principal in excess of 100% must only be used to finance loan closing costs. **These programs must be approved by Triad in advance of insuring individual loans.**

Fixed Rate Mortgages feature level interest rates and payments for the first 5 years of the mortgage. All plans must meet the following conditions: (1) the loan period cannot exceed 40 years and (2) offer no temporary buydowns, rate concessions, graduated payment features or have the potential for negative amortization.

Temporary buydowns and ARMS with annual caps of 1% or Less feature payment changes, or the potential for payment changes during the first 5 years of the mortgage. Included are fixed rate loans with 1% annual temporary buydowns; one-year or six-month ARMS with 1% or less annual effective interest rate caps; 3/3, 3/1 and 2/1 ARMS with initial interest rate adjustments of 3% or less.

ARMS with annual caps Greater than 1% (Non-Fixed) feature payment changes or the potential for payment changes during the first 5 years of the mortgage. Included are adjustable rate mortgages, balloons with a term of less than 5 years, rate concessions, and buydowns.

Rate and Term Refinanced Loans are refinanced loans featuring cash back to the borrower in an amount not to exceed the greater of that permitted by applicable Fannie Mae, Freddie Mac or investor guidelines. With respect to investor guidelines, cash back to the borrower cannot exceed the lesser of 2% of the balance of the new refinanced mortgage or \$2,000.

Cash-out Refinances are refinanced loans featuring cash back to the borrower in excess of that permitted for Rate and Term Refinanced Loans as defined herein.

Second Homes are properties that are occupied by the borrower, but not as a primary residence.

Investor Loans are properties that are used for rental purposes or are not occupied by the borrower.

Limited/No Documentation Loans are those for which the borrower provides limited documentation normally identified as No Income No Assets (NINA), Stated Income or No Assets. **These programs must be approved by Triad in advance of insuring individual loans.**

Negative Amortization occurs when the monthly payment is insufficient to fund complete repayment of the loan at its end of term, so that the balance owed may increase, rather than decrease over the life of the loan. This category includes any loan that features negative amortization or the potential for negative amortization.

Scheduled Negative Amortization Mortgages are mortgages that will incur negative amortization according to a rigid payment and amortization schedule that does not vary with the interest rate or any potential negative amortization mortgage where the negative amortization can be 10% or greater of the initial mortgage balance.

Mortgage programs allowing loans with potential or scheduled negative amortization must be approved by Triad in advance of insuring individual loans.

For 3/2 programs, the borrower must provide a minimum of 3% of his/her own funds. Use "Greater than 95%" rates.

Cancellation of Refundable Premiums: If mortgage insurance is cancelled pursuant to the Homeowners Protection Act of 1998 (HPA), contact Customer Service at 888-691-8074 for the refund amount. If mortgage insurance is cancelled for any other reason, contact Customer Service for the appropriate refund schedule.

The rates in these schedules apply to all states SUBJECT TO STATE APPROVAL. Contact your Triad account executive or underwriting office if you have any questions.