

Home Affordable Refinance Program (HRP) – Policies and Procedures

Effective April 4, 2009, Triad will accept loans submitted under the following Home Affordable Refinance Programs (HRP) as part of the Treasury's Making Home Affordable Program:

- Fannie Mae's Refi Plus (Manual Underwriting), *for same-servicer loans only*, introduced in Announcement 09-04, dated March 4, 2009. Loans must conform to all Fannie Mae Refi Plus guidelines current at the time of closing.
- Fannie Mae's DU Refi Plus (Automated Underwriting), *for same-servicer loans only*, introduced in Announcement 09-04, dated March 4, 2009. Loans must conform to all Fannie Mae DU Refi Plus guidelines current at the time of closing.
- Freddie Mac's Relief Refinance Mortgage (Manual Underwriting), *for same-servicer loans only*, outlined in Bulletin 2009-5 dated March 4, 2009. Loans must conform to all Freddie Mac Relief Refinance Mortgage guidelines current at the time of closing.

Summary of Important Topics for Lenders and Servicers

Triad is currently operating in run-off and will utilize the following policies and procedures in our support of the Home Affordable Refinance Program:

- Triad will be treating requests under the HRP as modifications to the original certificate. The original certificate numbers, the original certificate effective date, and the current anniversary date will remain in place.
- Triad will only allow HRP requests from the current servicer of record. We are, therefore, not able to fully support the upcoming "DU Refi Plus" program, as it allows any DU lender to perform a HRP modification, regardless of who the current servicer is. Our support of DU Refi Plus will be limited to requests from the entity (or its affiliate) that currently services the loan.
- Premium billing will continue as with any modified certificate, without a break in billing or due dates. Triad has processes in place to minimize the possibility of a lapse in coverage on properly reported HRP loans.
- The MI coverage percentage may not exceed the existing coverage percentage.
- Eligible loans must have traditional primary BPMI or LPMI.
- MI types will remain the same, for example: BPMI will remain BPMI and LPMI will remain LPMI.
- Premium rates will be applied to the unpaid principal balance at time of certificate modification (see Premiums below.)
- By submitting the HRP modification request to Triad, the Servicer represents and warrants that the HRP request meets the GSE-defined parameters (same servicer originations only) and that the information provided is true, accurate, and properly supported by the required documentation. Should that not be the case, any potential future claim for benefits may be reduced or denied or the insurance coverage may be rescinded. The representations and warranties with respect to the original Certificate of Insurance remain with the modified insurance certificate without changes. The original loan file and application for insurance must be retained in addition to any new documentation used in the refinance process. Any new documentation relied upon for the mortgage and subsequent modification of the mortgage insurance certificate becomes part of the representations of the Insured. The Insured must

provide the original loan file and new loan file to Triad upon request in accordance with existing agreements between the parties. Triad retains all rights under its Master Policy with the Insured.

Request Process

Upon identifying a borrower for the HRP and verifying that the request is in compliance with all terms and qualification requirements of the GSE program guidelines, please complete the HRP Certificate Modification Request form (see previous link entitled, “Home Affordable Refinance Program – Certificate Modification Request form.”) Upon completing and signing the request, please fax or e-mail to Triad’s Customer Service Department (fax: 336-917-2648; e-mail: customerservice@tgc.com). Legally binding electronic signatures are deemed acceptable to both parties if transmitting via e-mail.

Triad will not be re-activating any of its origination systems (EDI, XML, TAXI, etc.), nor will it be utilizing 266 loan boarding to receive HRP requests.

Once received, Triad will complete and return an endorsement to the certificate reflecting the requested changes. An endorsement to the certificate is acceptable to all Investors including Fannie Mae and Freddie Mac. The endorsement will indicate that the existing certificate number, original effective date and existing anniversary date will remain the same.

Upon completion of the endorsement, Triad will flag the certificate in its system as a participant in the HRP. Should Triad receive a cancellation request, or identify missed premium payments, Customer Service will contact the Servicer to verify whether coverage is intended to remain in force. Triad will make every effort to ensure appropriate continued coverage under this program.

Premiums

Triad certificates have two primary premium renewal types – level and declining.

- Level premium certificates receive the same premium charge at each renewal, based upon a constant premium rate charged against the original loan balance. If a HRP modification results in a new unpaid principal balance (UPB) that exceeds the original loan amount, then future renewal premiums will be calculated off the new, modified UPB. Likewise, if a modification results in a new unpaid principal balance (UPB) that is less than the original loan amount, then future renewal premiums will be calculated off the new, lower modified UPB. This ensures that Triad’s insurance coverage applies to the refinanced loan amount.
- Declining premium certificates receive a variable premium charge at each renewal, based upon a constant premium rate charged against the current UPB. HRP modifications that change the UPB are already accounted for under Triad’s current billing processes.

Risk Share Agreements

Certificates currently under a risk sharing agreement will remain so after the modification.