

Aug. X, 2008

«First» «Last»

«Title»

«Servicer_Name»

«Mailing_Address1» «Suite»

«City», «State» «Zip»

Re: Updated Claim Filing Procedures

Dear «First»:

Timely response to challenges faced by our industry and at-risk American homeowners can reduce losses on existing defaults and possibly prevent future defaults.

MGIC has developed strategies we believe can help you reduce the number of foreclosures, prevent costly foreclosure expenses, minimize expensive REO inventory and reduce financial loss. But a plan only goes so far. As we stated in our letter in May 2008, we need your help to make the plan work for you, your company, your community and your neighbors.

Your Role in Loss Mitigation

No one knows your borrowers' payment patterns better than you. When there is a disruption in the pattern, we count on your cooperation under MGIC's mortgage guaranty policy to actively help us prevent and mitigate loss, including curing the default and collecting payments from the borrower to bring the loan current.

MGIC relies on you to contact troubled borrowers as part of your compliance with coverage requirements; and, when restructuring can save a loan, to present them loan modification and refinance plans. With your help, there is a much greater chance of successfully mitigating loss.

Reporting Loss Mitigation and Title to the Property

In the event a default eventually results in a claim, we need you to provide us with a record of your collection and mitigation efforts, including dates and a description of the events. Therefore, for all new claims you file, you'll need to include a chronological description of your loss mitigation efforts. If such efforts are clearly documented through your collections and loss mitigation system notes, it may be sufficient to provide a copy of those notes.

We want to remind you that a charge-off or other procedure (other than an MGIC-approved sale) that does not result in title transferring from the borrower to the lender does not satisfy the policy requirements for the filing of a claim. (In particular, deeds in lieu of foreclosure require MGIC's prior approval.) Therefore, for all new claims that you file, you will need to include with the claim form a sheriff's or trustee's deed, title policy, or other evidence showing title in the name of the insured lender or its agent, or an explanation of how title requirements were otherwise met.

(continued)

Master Policy Terms

Under MGIC's policies of insurance, the Insured must actively cooperate with and assist MGIC to prevent and mitigate loss resulting from default.

Because the servicer is itself the Insured or represents the Insured, you are obligated to comply with the policy. Cooperation and assistance includes obtaining a cure of the default and collecting payments from the borrower to bring the loan current. It may also be necessary to:

- present the borrower with a loan restructuring or modification plan to make the payments affordable
- allow the borrower time to bring the loan current
- help a loan originator assist the borrower with refinancing into a more affordable loan.

MGIC relies on your cooperation to contact borrowers and present loan modification and refinance plans.

Without it, these steps cannot be implemented and there is much less chance of success in mitigating loss. Failure to meet these obligations may result in a claim reduction or even denial of the claim in full.

MGIC's policies of insurance provide that we may require various information and documentation from the Insured or its servicer in addition to the claim form itself to assist us in reviewing and processing a claim.

MGIC's policies require a transfer of title to the property to the Insured or its servicer under the terms of the applicable policy, unless there is an MGIC-approved sale or other permitted transfer of title.

These new procedures for filing will also apply to claims that you have already filed, so you may be contacted by your MGIC claims examiner for additional information in order to complete processing of your claim.

Faster Claims Processing

In the past, it's been our practice to request underwriting files after the completion of foreclosure. To further enhance our claims process and provide you with quicker claim resolutions, we will be requesting, whenever possible, underwriting files on loans that we select *during* the foreclosure process rather than after filing of the claim.

Questions or Comments?

By setting out these changes in advance, we can respond to your filing and complete the review of claims promptly.

Please, don't hesitate to contact me at 1-800-558-9900, ext. 6608, or carie_vos@mgic.com.

Sincerely,

A handwritten signature in black ink that reads "Carie Vos". The signature is written in a cursive, flowing style.

Carie L. Vos
Claims Administration Director