
**Endorsement to Mortgage Guaranty
Master Policy
(Origination of Loans)**

The purpose of this Endorsement is to amend terms and conditions of the Policy with respect to the application of the Policy to origination of Loans. This Endorsement will apply to all Loans that are insured under the Policy. To the extent of any inconsistency or conflict between the terms of the Policy and this Endorsement, this Endorsement will control. Notwithstanding any definition of a "Policy" as including any endorsements, this Endorsement shall not amend any provision of a master reporting program or other endorsement to the Mortgage Guaranty Master Policy. Any change to such master reporting or other endorsement shall be made by a document other than this Endorsement. The Policy is amended by adding, deleting, or amending the following terms and conditions, as indicated:

A. Section 2.4 is deleted in its entirety and replaced with the following:

2.4 **Incontestability for Certain Misrepresentations** — Notwithstanding Sections 2.2 or 2.3, no Claim for Loss will be denied or adjusted, nor will the Certificate's coverage be rescinded or canceled, by reason of any misrepresentations (whether by statements made or omitted) contained in an Application, provided that all of the following requirements, conditions and circumstances, to the extent not waived in writing at the option of the Company, are satisfied:

- a. The misrepresentation must not have been:
 1. knowingly made, or knowingly participated in, by:
 - (i) the Insured or any other Person which originated the Loan;
 - (ii) a correspondent lender, mortgage loan broker or other intermediary underwriting or processing the Loan on behalf of the Insured or of any other Person which originated the Loan; or
 - (iii) an escrow or closing agent, or any other agent of, or broker for, the Insured or any other Person which originated the Loan acting with respect to the Loan or the related Property transaction; or
 2. made, whether or not knowingly, by an appraiser, provider of an automated valuation model, or any other Person providing a valuation of the Property that is used in underwriting, processing or originating the Loan and that is submitted to the Company for the purpose of establishing the Value of the Property.
- b. This Section 2.4 will not apply to a Certificate if within twelve (12) months before or after a material misrepresentation by a Borrower or other Person (other than those Persons identified in Section 2.4(a)), there are one or more material misrepresentations in an Application (i) with respect to three (3) or more other mortgage loans insured at any time by the Company for the Insured or any other lender and (ii) which result from the direct or indirect acts or omissions of the same Borrower or same other Person (including any other Person acting directly or indirectly in concert).
- c. This Section 2.4 shall not be construed to limit the applicability of Section 4.4(b) to a misrepresentation which is subject to this Section 2.4.
- d. The Company's payment of a Claim will not limit any rights which the Company has against the

Borrower or any other Person (other than the Insured) for any misrepresentation.

B. The Policy is amended by adding the following new provisions:

1. adding the following new definition as Section 1.27:

1.27 **Eligibility Criteria** means the requirements which may be established by the Company from time to time applicable to qualification of a Loan for insurance under this Policy (including approved mortgage loan programs, maximum loan-to-value ratios and original principal amounts, coverage limitations, underwriting requirements and payment status) and of which the Company advises the Insured by notice to the Insured as provided for in this Policy or by general publication in underwriting guides, premium rate cards, or other written or electronic communications prior to the Loan becoming insured. The Company from time to time may amend the requirements which have been established and shall advise or notify the Insured prior to such amendment becoming effective.

2. deleting the period at the end of subparagraph (b) of Section 2.2 and inserting in its place a semicolon, and adding the following new subparagraph (c) to Section 2.2:

c. The Loan complies with the Eligibility Criteria in effect at the time the Application is submitted to the Company. For purposes of this subparagraph (c), Section 2.4 of this Policy shall not apply to a determination as to whether a Loan complies with the Eligibility Criteria.

3. adding the following new Section 4.11:

4.11 **Non-Eligible Loans** - Any Loan that did not meet the Eligibility Criteria in effect at the time the related Application was submitted to the Company.

All terms capitalized herein will have the meanings set forth in the Policy, except as otherwise defined herein. Nothing herein contained will be held to vary, alter, waive or extend any of the terms and conditions of the Policy, or any amendments thereto, except as expressly set forth above.