


CMG MI Delinquency & Claims Reference Manual



CMG Mortgage Insurance Company
A Joint Venture between PMI Mortgage Insurance Co. and
CUNA Mutual Insurance Society

CMG MI. More Than MI.



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CMG MORTGAGE INSURANCE COMPANY (CMG MI)

CMG MI's Delinquency and Claims Procedures are based on the terms and conditions of CMG MI's First Lien Master Policy (the "Policy") and on our belief that the Credit Union mortgage lending industry is better served if a claim is averted or minimized. Our goal is to work with you to cure the delinquency within the framework of the Policy if at all possible. If the delinquency cannot be cured, we seek to limit the loss where appropriate. CMG MI's Servicing and Claims Specialists are professionals committed to working with you to achieve this goal.

The ultimate value of CMG MI's coverage is realized when a loan goes into default. To preserve this value, it is important that you understand and follow the Delinquency and Claims procedures outlined and summarized in this manual.

This Delinquency and Claims Procedures Manual (the "Manual") is based on the First Lien Master Policy forms CMG 1100.00 (7/94), CMG 1101.00 (7/94) and CMG 1102.00 (7/94) and applies to all forms of policies previously issued by CMG MI. All capitalized terms in this manual shall have the meaning stated in the Policy unless defined herein.

This Manual is intended to explain and assist in following the requirements of the Policy, but is not intended to amend or modify the Policy and, therefore, in the event of any inconsistency between the Manual and the Policy, the terms of the Policy will prevail.

**CMG Mortgage Insurance Company
Claims Department
22 Fourth Street, 13th Floor
San Francisco, CA 94103**

**Toll-Free (800)909-4264, option 6
FAX Number: (415) 369-8808**

Or to our group e-mail box: claims.support@cmgmi.com

DELINQUENCY REPORTING

When to Report a Delinquency

When an insured loan is in default, you must notify CMG MI. A Notice of Delinquency (NOD) is the action required to initiate reporting of a delinquency. After it is filed, it should then be updated as described in this manual.

For purposes of delinquency reporting, CMG MI considers a loan to be delinquent when the member borrower has missed 2 payments on the loan. The best practice for reporting is to file the Notice of Delinquency (NOD) when the borrower is 45 days delinquent.

For example: A mortgage loan with a due date of January 1st should be reported to CMG MI as delinquent in mid-February.

Information requested includes the loan's unpaid principal balance, next payment due, and reason for delinquency. If foreclosure action is necessary or litigation has taken place, we need the dates and steps that have been taken. If a bankruptcy is filed, we need the Chapter type and the dates associated with the filing. This information will help us assist you during the servicing of the delinquency. You should consult your own legal counsel as to your rights and obligations if a bankruptcy is filed.

Failure to file the NOD in the time required carries a penalty of 30 days interest, which is deducted from the Claim settlement.

Update Requirements

Once a loan is reported delinquent, you must update the delinquency each month. If it remains delinquent, we must be advised of the current servicing activity occurring on the loan. If it has cured, you must notify us that the loan is no longer in default. If a delinquent loan is not updated for 90 days, our system will assume the loan is no longer in default and will cure the NOD. If the NOD is reported again with the same default date, a 30-day interest curtailment may be applied to the Claim settlement.

How to File

- ◆ **Via EDI (Electronic Data Interchange) in the industry standard Automated Default Reporting (ADR) format.**

If you report by EDI, the standard ADR format provides for the automatic updating of previously reported delinquencies.

- ◆ **Through our e-cmgmi Website at www.e-cmgmi.com**

File new NODs or update the status of your delinquencies online via www.e-cmgmi.com using the Delinquency Status Report Webpage option.

See below for how to sign up for www.e-cmgmi.com **Servicing**.

By phone:

(800) 909-4264, option # 3

By e-mail:

Send an e-mail to support.desk@cmgmi.com, stating you would like access to www.e-cmgmi.com **Servicing**.

In the e-mail, include your **company's name** and **Master Policy number (optional)** and indicate you need access to the Website to file **Claims for Loss** and **Notices Delinquencies**

Once you obtain access to www.e-cmgmi.com **Servicing**, you will have the ability to file a *Notice of Delinquency* and submit monthly updates.

If you have any questions concerning any of the information requested, please call CMG MI at (800) 909-4264, option 6.

To access step-by-step instructions for filing a new NOD or performing monthly updates of existing delinquencies, please access the User's Manual at www.e-cmgmi.com **Servicing**. **The two links you will need to access in the Table of Contents are called "Notice of Delinquency" and "Delinquency Turnaround" (under the Report section).**

WORKOUT and LOSS MITIGATION

Types of Workouts and Documents that should be submitted

For Home Retention Workouts

The following workout options should be the first course of action in working with the member borrower(s) to assist in retention of their home as well as mitigating loss for the Credit Union and CMG MI:

Loan Modifications

Modification of the Loan's interest rate and term can be a useful tool in preventing a loss. If your analysis shows that the Borrower has the ability to maintain monthly mortgage payments but does not have the funds necessary to reinstate the Loan, CMG MI may approve capitalization of past due interest and/or other expenses.

Please note that CMG MI encourages the use of loan modifications, where appropriate, to achieve our goal of preserving home ownership, not as a means to preserve the Borrowers' credit. If the Borrowers' intent is not to remain in the home, but rather to list the property for sale, CMG MI does not encourage the use of a loan modification.

To obtain approval for modification of the terms, changing the loan type or capitalization to the Unpaid Principal Balance please submit the request to our Underwriting Department at 888-746-6264. For more information and the Modification request form please visit our website at www.cmgmi.com/cuhomekeepers

Repayment Plans

To help member borrowers keep their homes, CMG MI encourages reasonable attempts to reinstate a loan, provided the borrower can afford the payment plan.

You **only** need CMG MI's approval for a repayment plan if the loan is six months or more delinquent or if you will be changing the terms of the original loan.

Forbearance Agreements

Payment forbearance can be a useful tool to assist a member borrower through a temporary hardship. You do not need CMG MI's approval for a forbearance agreement, provided that no other terms of the loan will be modified, and no amount will be capitalized into the loan balance. If you wish to forbear payments in conjunction with modification of the loan terms, please submit a loan modification request to our Underwriting Network.

Saving Homeownership and Repayment Program (SHARP)

In the event that capitalization or a repayment program are not feasible to reinstate the Default, CMG MI's Saving Homeownership and Repayment Program (SHARP) pays an Advance Claim to cover delinquent interest on the defaulted loan. SHARP is a special workout program designed for the delinquent member borrower(s) who clearly has the ability to maintain future payments, but has been forced into default by unfortunate circumstances. SHARP gives the borrower(s) the opportunity and the motivation to maintain the loan obligation and, most importantly, keep the home. The borrower(s) must be living in the property to qualify for this program.

- *Should the loan re-default and result in a Claim to CMG MI, any amount advanced under this SHARP program would be deducted from the Claim.*

Documentation Requirements for SHARP

1. Letter of Hardship
2. Payoff statement and breakdown of advance requested
3. Borrower's income/Expense sheet (budget)
4. Last two paystubs or verification of income being used to qualify for the advance
5. Most recent tax return
6. Recent value (BPO or appraisal)
7. Credit report

Assumptions

If the underlying loan documents permit assumption, then assumption of the loan by a third party may be an alternative to foreclosure in many distressed situations.

- *If mortgage insurance coverage is to continue after assumption of the insured mortgage loan, CMG MI must approve the new borrower(s) prior to transfer of title. We then ask for the following documentation:*
 - a. Completed and signed Residential Loan Application**
 - b. Credit report**
 - c. Income and employment verification**
 - d. Verification of funds for closing**
 - e. Signed property purchase/sales agreement**

You can find further information regarding this process on our Website at: www.cmgmi.com.

Foreclosure Prevention Workouts

If a Home Retention Workout is not feasible, CMG MI recognizes that potential loss can be minimized by working with distressed member borrowers to negotiate a sale of the property in lieu of a foreclosure. Prudent standards of workout are always to be observed.

Prearranged Sales (Presale)

If a borrower has a hardship, cannot make payments on the mortgage and owes more on the loan than the property will sell for, he or she should list the property for Fair Market Value (FMV) and submit any offers to CMG MI for approval.

After reviewing the Prearranged Sale package documentation, CMG MI will consider the information with respect to Hardship, Claim Probability and Loss Mitigation.

Hardship: Is the delinquency and subsequent Prearranged Sale request caused by factors beyond the borrower's control? Acceptable hardship reasons include: loss of employment, loss of income, divorce, illness, involuntary job relocation, etc. Doubtful hardship reasons would be loss of equity, tenant problems and voluntary relocation.

Claim Probability: Are you or CMG MI going to suffer a loss on the property regardless of whether there is a Prearranged Sale? One good indicator of Claim probability is delinquency status. If the loan is current, CMG MI finds it difficult to predict if there will be eventual loss. Illness or permanent loss of employment are other predictors of possible loss.

Loss Mitigation: Providing there is probability of Claim, we are always interested in proposals that reduce loss both to the Credit Union and to CMG MI.

If there is a true hardship, which would result in the property being foreclosed, and if the proposed Prearranged Sale would mitigate loss, CMG MI will generally agree to the Prearranged Sale. If there is hardship and good probability of a Claim being filed, but no mitigation, CMG MI may approve the Prearranged Sale and pay an insurance benefit based on the Percentage Option. If the Credit Union is nearing a foreclosure sale date and a Prearranged Sale offer is received, please contact CMG MI for instructions.

At any point in the delinquency process, CMG MI remains available to assist you to answer any questions concerning the proposal.

Documentation Requirements for a Presale

1. Letter of Hardship
2. Payoff statement
3. Borrower's income/Expense sheet (budget)
4. Last two Paystubs
5. Most recent tax return

-
6. Recent value (BPO or appraisal)
 7. Sales contract
 8. Preliminary HUD-1 Settlement Statement (please note that CMG MI limits broker's commissions/fees to 5% on all short sales).
 9. Current credit report

Deed in Lieu of Foreclosure

Because approval of a deed in lieu results in a Claim being made, CMG MI usually limits approval to truly exceptional circumstances, such as permanent disability, terminal illness or death. When an extreme hardship does not exist, we require that the Credit Union demonstrate a reasonable effort to work with the Member to mitigate the loss, including loan modification and/or listing the property at FMV for a period of no less than 90 days.

Documentation Requirements for a Deed in Lieu of Foreclosure

1. Letter of Hardship
2. Payoff statement
3. Borrower's income/Expense sheet
4. Last two paystubs
5. Most recent tax return
6. Recent value (BPO or appraisal)
7. Listing history of the property
8. Current credit report

Mitigating Claim Loss - Borrower Participation / Promissory Notes

In order to encourage Loss Mitigation, CMG frequently requires borrower participation. CMG MI will review the borrower's financial position to determine if they have the ability to participate in the mitigation of loss by signing a promissory note to CMG MI for all or a portion of the loss. CMG MI will determine the amount of the contribution, based on the borrower's hardship and their ability to pay on a note following the release from the mortgage obligation. Promissory notes are always offered interest-free for the duration of the term."

FORECLOSURE REQUIREMENTS

When the Credit Union has exhausted all efforts for a loan workout, it is in both the Credit Union's and CMG MI's best interest to conduct a timely foreclosure. Deviation from the timeframes outlined by CMG MI may result in claimed interest curtailments. To avoid interest curtailments, once foreclosure is initiated, you must diligently pursue the necessary steps to acquire possession of and title to the property. If CMG MI elects to acquire the property, you must be able to tender "good and merchantable" title.

Although many of our monthly premium products do not require that you forward premiums once a loan goes into default, CMG MI recommends that you forward premiums until you are certain that the borrower will not be bringing the loan current. Should the loan result in a Claim, any premiums made while the loan was in default will be returned with the Claim payment.

Claim Timetable Instructions

The *EZ Claim* Timetable is an easy reference chart of foreclosure days CMG MI allows for each state and Puerto Rico. The number of days includes the 60-day time period that CMG MI will allow for you to file your Claim once you complete the foreclosure. CMG has used Fannie Mae allowed foreclosure timelines to determine the allowable days per state.

Property State	Days
Alabama	295
Alaska	350
Arizona	335
Arkansas	340
California	345
Colorado	340
Connecticut	430
Delaware	460
Dist. Of Columbia	310
Florida	380
Georgia	290
Hawaii	350
Idaho	400
Illinois	485
Indiana	475
Iowa	525
Kansas	390
Kentucky	475
Louisiana	430
Maine	565

Maryland	295
Massachusetts	345
Michigan	285
Minnesota	320
Mississippi	340
Missouri	295
Montana	415
Nebraska	365
Nevada	365
New Hampshire	320
New Jersey	510
New Mexico	460
New York	490
North Carolina	330
North Dakota	400
Ohio	475
Oklahoma	460
Oregon	390
Pennsylvania	510
Rhode Island	295
South Carolina	425
South Dakota	415
Tennessee	300
Texas	300
Utah	375
Vermont	570
Virginia	270
Washington	370
West Virginia	355
Wisconsin	520
Wyoming	310
Puerto Rico	585

Bankruptcy Timeframes

In the event the delinquent member borrower files a bankruptcy, CMG MI allows six months from the date of the initial borrower bankruptcy filing for you to obtain relief from the automatic stay or dismissal of the case. On Chapter 13 bankruptcy filings, CMG MI allows six months from the last post-petition payment to obtain relief. You are required to (re)institute foreclosure action no later than 60 days from the date you obtain relief. Failure to do so may result in a curtailment to a future claim.

Foreclosure Sale Bidding Instructions

To establish foreclosure sale bids and promote legitimate third-party bidding, CMG MI requires you to obtain either a current Broker's Price Opinion (BPO) or appraisal prior to the foreclosure sale date to determine the current fair market value (FMV) of the property. Review the BPO or appraisal for accuracy, reasonableness and any indication of physical damage or casualty.

If there is only normal wear and tear to the property, start the bidding at the percent of the current fair market value (FMV) of the property as indicated on the following bidding instruction chart, not to exceed the total debt (Claim Amount). If a third party enters the bidding, you must continue bidding up to a minimum of the current FMV of the property and you may continue bidding up to total debt).

Foreclosure laws and proceedings vary from state to state. CMG MI strongly encourages you to work with real estate legal counsel in the state when the subject property is located. CMG MI's bidding guidelines are general in nature. Occasionally, there are extenuating circumstances regarding foreclosure that could impact the bidding procedure. Please consult appropriate legal counsel.

State	Redemption	MI Deficiency	Statute of Limitations	Market Value to Bid
Alabama	Yes	No		Total Debt
Alaska	No	No		100% BPO
Arizona	No	No		100% BPO
Arkansas	No	Yes		90% BPO *
California	No	No		100% BPO
Colorado	Yes	Yes/Call CMG MI		90% BPO
Connecticut	No	Yes/Call CMG MI	30 Days	90%
Delaware	No	Yes		Appraisal ^
Dist of Columbia	No	Yes		90%BPO
Florida	Yes	Yes		90% BPO
Georgia	No	No	30 Days	\$100.00 BPO **
Hawaii	No	Yes		100% BPO
				90% BPO

State	Redemption	MI Deficiency	Statute of Limitations	Market Value to Bid
Idaho	Yes	Yes/Call CMG MI	90 Days	90% BPO
Indiana	Yes	Yes		90% BPO
Iowa	Yes	No		Total Debt
Kansas	Yes	No		Total Debt
Kentucky	No	Yes		90% Appraisal ^
Louisiana	No	Yes/Call CMG MI		2/3 Sheriff's Appraisal
Maine	Yes	Yes/Call CMG MI		90% Appraisal ^
Maryland	No	Yes		90% BPO
Massachusetts	No	Yes		90% BPO
Michigan	Yes	Yes/Call CMG MI		90% Appraisal ^
Minnesota	Yes	No		Total Debt
Mississippi	No	Yes		90% Appraisal^
Missouri	No	Yes		90% BPO
Montana	No	No		100% BPO
Nebraska	No	Yes/Call CMG MI	90 Days	90% BPO
Nevada	No	Yes/Call CMG MI	180 Days	90% Appraisal ^
New Hampshire	No	Yes		90% Appraisal ^
New Jersey	No	Yes/Call CMG MI	90 Days	\$100.00 BPO **
New Mexico	Yes	Yes		90% BPO
New York	No	No		100% BPO
North Carolina	No	Yes		90% BPO
North Dakota	Yes	Yes		90% BPO
Ohio	No	No		100% BPO
Oklahoma	No	Yes/Call CMG MI	90 Days	2/3 Sheriff's Appraisal
Oregon	No	No		100% BPO
Pennsylvania	No	Yes/Call CMG MI	180 Days	100% BPO
Rhode Island	No	Yes		90% BPO
South Carolina	No	Yes		90% Appraisal ^
South Dakota	Yes	Yes		Total Debt
Tennessee	No	Yes		90% BPO
Texas	No	No		100% BPO

State	Redemption	MI Deficiency	Statute of Limitations	Market Value to Bid
Utah	Yes	Yes/Call CMG MI	90 Days	90% BPO
Vermont	Yes	Yes		90% Appraisal ^
Virginia	No	No		100% BPO
Washington	No	No		100% BPO
West Virginia	No	Yes		90% BPO
Wisconsin	Yes	No		100% BPO
Wyoming	Yes	No		Total Debt
Puerto Rico	No	Yes		100% Appraisal ^

* Bid must be 2/3 the Outstanding Loan Balance.

** Start the bidding at \$100.00, and counter all competitive bids with 100% BPO or Total Debt (Claim Amount), whichever is lower.

^ Bid amount must be based on an actual property appraisal. At the first auction, commence bidding at 100% of the appraised value. If a second auction is necessary, start at 2/3 the appraised value, and if a third auction is necessary, start at 1/2 the appraised value.

For those states in **bold italics** that indicate a call to CMG MI is required, please call prior to foreclosure action for specific bidding instructions and/or instructions on the preservation of deficiency rights.

Warning: Total debt (Claim Amount) bids may limit your right to collect hazard insurance proceeds or to pursue the borrower(s) for fraud (even in those states that prohibit collection of the deficiency).

In redemption states, it is recommended that you bid Total Debt to prevent the borrower from redeeming his property for less than your loan payoff.

If these bidding instructions conflict with the investor's instructions, if you have any questions about the bidding process, or if you require special consideration in establishing a foreclosure sale bid amount, please feel free to contact your CMG MI Servicing and Claims Specialist at (800) 909-4264, option 6.

FAX the foreclosure sale results to CMG MI within 48 hours of the foreclosure sale at (415)-369 8808.

POST FORECLOSURE and REO

Listing the Property for Sale

Once you have acquired title to the property, you should list the property at FMV with a real estate agency of your choice. CMG MI does not require approval to list the Real Estate Owned (REO) for sale. We do recommend that careful consideration be made related to repairs or any upgrades to the property. While these can enhance the marketability, the subsequent claim will not cover any of these costs for improvements.

Offers to Purchase

Should an offer to purchase the REO property be presented prior to **Claim payment**, you must contact your CMG MI Claims Specialist for authorization. In the event the net proceeds from the sale of the REO are sufficient to mitigate CMG MI's Claim loss, additional interest will be paid by CMG MI through the close of escrow. Should the proposed purchase offer fall below the level of fully mitigating the Claim loss, CMG MI will advise you that it is a non-mitigating sale – CMG MI will not have any influence related to the offer.

Submit all offers that you wish to accept to claims.support@cmgmi.com

Restoration Damage, Catastrophic Damage

Costs to repair or restore property beyond normal wear tear are excluded from coverage under the master policy. Please review section III of the master policy and contact your claim specialist for an explanation of this exclusion.

Environmental Contamination

Costs to cure environmental contamination may be excluded from coverage under the master policy. Please review section III of the master policy and contact your claim specialist for an explanation of this exclusion

CLAIM FOR LOSS FILING INSTRUCTIONS

When to File

The Claim should be filed within 60 days after title to the property is acquired by the credit union or passed to a third party by a Prearranged Sale (Presale) or third-party bidder at the Foreclosure Sale.

In states where there is a redemption period, you should file your Claim within 60 days from the redemption expiration date. We cannot accept a Claim for loss before title to the property has been conveyed to the Credit Union.

How to File a Claim

All Claims are filed at our Website: www.e-cmgmi.com

We are also able to accept Claims filed via EDI. Please contact CMG MI's Claims Department for further information regarding EDI Claim filing.

CMG MI requires no backup documentation at the time that you file your initial Claim. If CMG MI has questions regarding the claim, you will be contacted to provide further information or documentation.

Audit of Document-Free EZ Claims

In accordance with the Master Policy (UW 1100.00) (7/94) provision VI.F (Reports and Examinations), CMG MI will periodically audit Claims paid under the Document Free EZ Claim program. These audits are conducted to ensure Master Policy compliance and assure that you are claiming all items you are entitled to receive as a benefit of coverage.

Should an audit reveal noncompliance with any Master Policy provision, we will contact you to discuss those findings. Claim adjustments or reassessment of your continued eligibility to participate in the Document Free EZ Claim program may result.

How Are Your Claims Audited

On a random basis, **CMG MI** will audit approximately five percent (5%) of your paid Claims. **You will be notified of an audit by our auditing department with request to provide additional documentation including, but not limited to:**

- *Proof of Title: Preliminary Title Report, unrecorded trustee's or sheriff's deed.*
- *Loan History: including the last paid installment applied to the loan.*
- *Paid Receipts: for all claimable items (expenditures shown on the loan history statement are acceptable).*
- *Copy of recent BPO, Comparative Market Analysis (CMA) or appraisal*

When is the Claim Paid

The Policy requires CMG MI to pay your Claim within 60 days of **Perfection**.

A **Perfected Claim** is one that has been fully processed by our Claims Specialist, indicating that no further documentation or detail is required for CMG MI to finalize schedule for payment

Sixty days following the final Perfection decision, the Claim will be settled. If the Claim payment is delayed beyond the 60-day time frame, CMG MI will pay interest on the Claim Settlement amount through the Claim settlement date.

Foreclosure Information Requirements

- To submit a Claim, you need to have acquired title to the property or transferred to a third party in a Prearranged Sale.
- Using the e-cmgmi.com Website, you will be guided through the required fields to enter data and submit the Claim electronically; no documents are required to be submitted. The CMG MI Claims Specialist may, however, request additional documents to perfect the claim.

Claimable Items Include:

Principal Balance

The unpaid principal balance (UPB) of the loan as of the date the last regular payment was applied. The CMG MI Home Preservation Refinance and Loan Modification Programs that support the GSE initiatives HARP and HAMP allow the UPB to be higher than the original certificate amount to facilitate capitalization. If CMG MI is notified and approves the modified UPB, then the existing premium rate will be applied to the modified UPB. As long as premium is remitted based on any new billing amount, the revised UPB will be the basis for the claim payment.

Negative amortization is not covered unless specific coverage was obtained and is reflected on the Certificate.

Past Due Interest

Interest accrued on the UPB from the last regular payment.

Attorney's Fees

Reasonable Attorney's Fees are claimable based on the lesser of actual fees paid or a maximum of three percent (3%) of both the UPB and allowable past due interest.

Property Taxes

Real estate taxes are claimable **from one year prior to the Default date through the Claim filing date** and may be prorated based on the default period. Claims for delinquent real estate taxes prior to default will be considered upon submission and review of supporting documentation.

Hazard Insurance Premiums

Hazard insurance premiums are claimable **from the default date to the Claim filing date** and may be prorated based on the default period.

Preservation Costs

The cost to preserve and protect the property includes utilities, re-keying, and normal maintenance necessary to protect the property following default. CMG MI allows up to \$500 per Claim for preservation costs.

Broker's Price Opinion (BPO)/Appraisal

Reasonable BPO and appraisal costs are allowed. In order for BPOs, appraisals and CMAs to be a claimable expense, CMG MI must receive a copy along with your Claim or the property value information submitted with the Claim via our Website at www.e-cmgmi.com or EDI.

Non-Claimable Items Include:

Judgments/Liens

Any judgments or liens placed on the property are not generally claimable expenses, as they were not insured by CMG MI.

Late Charges/Homeowner Association and Tax Penalties

These expenses are generally not claimable.

Please refer to CMG MI's Master Policy for more specific information. Or contact your CMG MI Claim Specialist to answer questions about your Claim.

Deductible Items Include:

Escrow Funds – Balance at Delinquency Deducted

Your Claim filing should report the balance in the escrow account at date of default. A positive balance in the tax and insurance escrow account will be deducted from the Claim amount.

Pledged Accounts

Buydown funds or other compensating balances are deducted from the Claim amount.

Receivership

Any income collected from hazard insurance proceeds, managing/renting the property, other suspense/holding accounts or borrower contributions are deducted from the Claim amount.

Net Proceeds from Prearranged Sale

When the property is sold through a Prearranged Sale, the net proceeds from the sale, including cash contributions from the borrower, will be applied against the total Claim amount.

CLAIM SETTLEMENT

Claim Settlement Methods

When the Claim is received by your CMG MI Claim Specialist, he/she verifies that coverage is in-force and that all documents necessary to perfect the Claim are received. CMG MI then reaches its settlement decision.

Percentage Option

An amount equal to the Claim amount multiplied by the percentage of coverage specified on the Certificate, adjusted by any coverage options as specified on the Certificate.

Prearranged Sale Option

An amount equal to the lesser of the Percentage Option or the insured's actual loss in connection with a Prearranged Sale of the property. The insured's actual loss shall be an amount equal to the Claim amount plus all reasonable costs incurred in obtaining and closing such sale, less the proceeds of the Prearranged Sale.

Acquisition Option

An amount that will equal the Claim amount less the amount of any payments of loss previously made by CMG MI with respect to the loan, payable in exchange for the conveyance of "good and merchantable title" to and possession of the property.

Closed Without Payment

After the Claim has been received, CMG may close your Claim file for the following reasons:

Non Perfected

All of the documents necessary to perfect your Claim have not been received after CMG has requested them in writing on three separate occasions.

Eviction

So that CMG can evaluate the Acquisition Option potential, when the Property is occupied and an eviction is in process, CMG may close your file without payment until you can obtain access to the Property.

Request by Claim Filer

At the request of the Claim Filer CMG can close out a Claim without payment. This is typically done when the Insured received make whole funds.

Negotiated Settlement

Under the terms of the Policy, coverage may be excluded or CMG MI may have the right to adjust the insurance benefit in certain circumstances. Under such circumstances, CMG MI may offer to settle a Claim at less than the Percentage Option.

Supplemental Claims

You are entitled to file a Supplemental Claim for additional expenses in the event CMG MI has settled your Claim and additional costs are claimable under the Policy, but were not filed with the original Claim. These requests must be submitted in writing to claims.support@cmgmi.com.

Disaster Relief POLICY

Forbearance for Victims in Disaster Areas Designated by FEMA

Once the Federal Emergency Management Agency (FEMA) designates a geographic area as a federal disaster area, CMG MI's Servicing and Claims Specialists will immediately begin working with affected Credit Unions in the disaster area. CMG MI will accommodate reasonable policies of Credit Unions for handling loan defaults that are worsened by a federally declared disaster and which are in accordance with Fannie Mae and Freddie Mac guidelines.

CMG MI's Disaster Relief Policy includes our standard workout programs and procedures, as well as several forbearance programs, and allows a 90-day moratorium on the initiation of any legal action or the continuation of any pending legal action involving members with property or jobs located in the affected disaster area. Credit Unions must notify CMG MI of their intention to allow the 90-day moratorium on a CMG MI-insured loan.

CMG MI agrees with Fannie Mae's Servicer Guidelines allowing 90-day delays in foreclosure for accounts with payments less than 90 days delinquent at the time of the disaster, and the capitalization of these deferred payments for the remaining life of the loan. In addition, CMG MI encourages you to work with affected borrowers to cure the delinquency as soon as possible.

Who to Contact:

Contact CMG MI for Disaster Relief information at (800) 909-4264. In all situations, CMG MI is available to conduct case-by-case evaluations of workout plans and payment alternatives for the individual circumstances arising from the disaster.