

**Understanding Loss Mitigation is critical for Credit Unions in this environment.
CMG Mortgage Insurance Company (CMG MI) can coach you
through all the stages of loss mitigation.**

Loss Mitigation 401 — FILING A CLAIM

The CMG MI Guide to Preserving Homeownership and Protecting Your Credit Union



CMG MI Resources

Visit www.cmgmi.com/lossmit&claims

Claims Information

www.cmgmi.com/claims

Delinquency and Claims Reference Manual

www.cmgmi.com/claimsmanual

Loss Mitigation Information

www.cmgmi.com/lossmitigation

CU HomeKeepers — Supporting HARP and HAMP

www.cmgmi.com/cuhomekeepers

Refinance (HARP) Request Form - Same Servicer

www.cmgmi.com/refiform-same

Refinance (HARP) Request Form - New Servicer

www.cmgmi.com/refiform-new

Modification Request Form

www.cmgmi.com/loanmodform

Register for CMG MI's Loss Mitigation Seminar

www.cmgmi.com/lossmitwebinar



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

www.cmgmi.com/lossmit&claims

The fourth step is **filing your claim** once all applicable loss mitigation options have been exhausted and the member's mortgage loan progresses to foreclosure. The CMG MI process for filing and perfecting your claim is straightforward.

Identify the Problem

Does Your Credit Union Have ...

- ✓ Members whose loss mitigation workouts have failed?
- ✓ Members who have mailed in their keys and walked away?

When title to the property is acquired, your Credit Union must move into the stage of filing a claim with CMG MI.

Follow Our Instructions for Timely Perfecting of Claims on CMG MI-Insured Loans

- ✓ STEP 1: Review your CMG MI Master Policy
 - Make sure your claim is eligible under the terms of our policy and that premium payments are current when the NOD is filed
- ✓ STEP 2: Consult the CMG MI Claims & Delinquency Manual — available at www.cmgmi.com/claims
- ✓ STEP 3: Credit Union acquires title to foreclosed property
- ✓ STEP 4: Use e-cmgmi to file your CMG MI claim **within 60 days of foreclosure** to avoid interest and expense curtailment
 - e-cmgmi is the only way to file a claim with CMG MI
 - User IDs and passwords available from your CMG MI Account Executive
 - No documents required to file claim unless requested by Claims Specialist
- ✓ STEP 5: Claim is normally paid 60 days from the claim perfect date
 - During this 60-day period, CMG MI will review all REO purchase offers
 - At 60 days, claim check is processed and mailed to Credit Union

Claim Settlement Types

Percentage Option Settlement

Percent coverage multiplied by claim amount, then adjusted by coverage options on mortgage insurance certificate

Pre-Approved Sales (PAS)

- Short sale, pre-sale or post-foreclosure (real estate-owned – REO)
- CMG MI must approve
- If sales proceeds exceed claim, it's "closed without payment"

Acquisition

- CMG MI acquires the property and mitigates the loss by selling the property

Negotiated settlement

- For special situations

Questions? Contact CMG MI's Claims department for assistance at 800.909.4264.

See the back of this flyer for details on claimable and non-claimable expenses and to see a hypothetical example of a claim on a CMG MI-insured mortgage loan.

Loss Mitigation 401 — FILING A CLAIM

The Basics of Claims

Claimable Expenses*

- Principal balance

Unpaid principal balance (UPB) as of last regular payment applied

- Past due interest

Interest accrued on UPB from last regular payment date through the claim filed date

- Attorney's fees

Lesser of 3% of the sum of UPB + allowable interest, or actual cost

- Property taxes

Real estate taxes pro-rated through the claim filing date

- Hazard insurance premiums

Claimable from the default date to the claim filing date — may be pro-rated up to claim filing date

- Preservation costs

Limited to protect and preserve property following default. Total expenses in excess of \$500 must be pre-authorized.

- Appraisal

Reasonable Broker Price Opinion (BPO) and appraisal costs are allowed

- Supplemental claims permitted

Non-Claimable Expenses

- Judgments/Liens
- Penalty interest
- Negative amortization
- HOA late charges
- Capital improvements and repairs exceeding \$500 preservation allowance
- Tax penalties

Deductible from Claim

- Escrow balances
- Hazard insurance proceeds not spent on repair/restoration
- Pledged accounts
- Buydown funds or other offsets
- Receivership

Hypothetical Example of a Percentage Option Claim on a CMG MI-Insured Loan (Maximum Paid — Full Optional Claim)

Product Type: Primary	
Coverage 20% (100% LTV)	
Principal balance	\$207,286.63
(original unpaid balance	213,500.00)
Delinquent interest	9,342.09
Expenses Total	5,613.00
Attorney fees	440.00
Real estate taxes	2,410.00
Hazard insurance	1,053.00
Preservation	500.00
Statutory costs**	1,090.00
Other expenses	0.00
Property valuation	400.00
<u>Deductions (escrow)</u>	<u>(280.00)</u>
Total Claim:	222,241.72
x 20% coverage =	44,448.34
Premium refund:	854.00
Total Check Enclosed:	\$45,302.34

* Terms of the applicable master policy apply

** State-required publishing, printing and auction costs associated with foreclosure