

Home Affordable Refinance Program (HARP) – Policies and Procedures

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

- Fannie Mae's Refi Plus (Manual Underwriting), introduced in Announcement 09-04, dated March 4, 2009 and updated periodically. Loans must conform to all Fannie Mae Refi Plus guidelines current at the time of closing.
- Fannie Mae's DU Refi Plus (Automated Underwriting), introduced in Announcement 09-04, dated March 4, 2009 and updated periodically. Loans must conform to all Fannie Mae DU Refi Plus guidelines current at the time of closing.
- Freddie Mac's Relief Refinance Mortgage – Same Servicer, outlined in Bulletin 2009-5 dated March 4, 2009 and updated periodically. Loans must conform to all Freddie Mac Relief Refinance Mortgage guidelines current at the time of closing.
- Freddie Mac's Relief Refinance Mortgage – Open Access, outlined in Bulletin 2009-5 dated March 4, 2009 and updated periodically. 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 HARP as modifications to the original certificate. The original certificate number, the original certificate effective date, and the current anniversary date will remain in place.
- 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 HARP loans.
- The MI coverage percentage may not exceed the existing coverage percentage.
- Eligible loans must have traditional primary Borrower-Paid Mortgage Insurance (BPMI) or Lender-Paid Mortgage Insurance (LPMI).
 - BPMI must remain BPMI after the HARP refinance.
 - LPMI may be converted to level premium BPMI, or it may remain LPMI.
- Premium rates will be applied to the unpaid principal balance at time of certificate modification (see Premiums below.)
- By submitting the HARP modification request to Triad, the Servicer represents and warrants that the HARP request meets the GSE-defined parameters 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. Any documentation relied upon for the mortgage and subsequent modification of the mortgage insurance certificate becomes part of the representations of the Insured. Triad retains all rights under its Master Policy with the Insured.
- Effective February 18, 2012, Triad will provide the same rep and warrant relief provided by the GSEs in conjunction with HARP refinances.

Request Process

Upon identifying a borrower for the HARP and verifying that the request is in compliance with all terms and qualification requirements of the GSE program guidelines, please complete the appropriate “HARP – Triad MI Certificate Modification Notification” form, available on the “Homeowner Affordability and Stability Plan” page of triadguaranty.com.

HARP – New Servicer Refinances

Two forms are available to originators of HARP loans: one for HARP **Pre-Closing** notification to Triad, and one for HARP **Post-Closing** notification to Triad. The **Post-Closing** notification must be submitted to Triad in order to maintain MI coverage on the new loan.

HARP Pre-Closing - New Servicer Notification to Triad: This spreadsheet is for lenders that need pre-closing confirmation that Triad mortgage insurance will remain in place after a HARP refinance. If you are not the current servicer of the existing loan, and you would like to receive pre-closing confirmation that Triad will modify the existing certificate of insurance in conjunction with a HARP refinance, complete this form and submit to Triad. Please note that shaded rows do not need to be completed.

Upon completing the **HARP Pre-Closing** request, please fax or e-mail to Triad’s Customer Service Department (fax: 336-917-2648; e-mail: customerservice@tgic.com). Legally binding electronic signatures are deemed acceptable to both parties if transmitting via e-mail.

Once received, Triad will provide a letter confirming that it will continue to provide mortgage insurance coverage on HARP refinances. The letter will include the premium rate, the percent of coverage, and other premium billing details. Upon closing of the HARP refinance, lenders must then complete and submit the **HARP Post-Closing** request in order to maintain coverage on the new loan.

HARP Post-Closing - New Servicer Notification to Triad: This spreadsheet is used to notify Triad that a HARP refinance has closed. This **Post-Closing** notification must be submitted to Triad in order to maintain MI coverage on the new loan.

Upon completing the **Post-Closing** request, please fax or e-mail to Triad’s Customer Service Department (fax: 336-917-2648; e-mail: customerservice@tgic.com). Legally binding electronic signatures are deemed acceptable to both parties if transmitting via e-mail.

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.

HARP - Existing Servicer Refinances

Only one form is needed for HARP refinances originated by the lender servicing the loan being refinanced

HARP – Existing Servicer Notification to Triad: This spreadsheet is used to notify Triad that a HARP refinance has closed, or will close. Failure to complete and submit this form could affect billing and future claim settlements.

Upon completing the **Existing Servicer** notification, please fax or e-mail to Triad’s Customer Service Department (fax: 336-917-2648; e-mail: customerservice@tgi.com). Legally binding electronic signatures are deemed acceptable to both parties if transmitting via e-mail.

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 HARP. 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.

Please note: 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 HARP requests.

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 HARP refinance 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 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. HARP refinances that change the UPB are already accounted for under Triad’s current billing processes.
- Effective August 20, 2012, certificates with declining premiums that convert from LPMI to BPMI, or that remain as BPMI after a HARP refinance, will receive level premium renewals after the completion of the HARP.

Risk Share Agreements

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