

Program Description

Overview **Radian Lien Protection** is an alternative to title insurance that can be used in connection with refinances, second mortgage and home equity loans. Radian Lien Protection is offered through ExpressClose.com, a Radian company, and will be provided as a mortgage pool insurance policy written by a Radian AA-rated mortgage insurance company. It will provide a layer of insurance coverage to a lender for a wide range of losses arising from a borrower's default under a covered loan, including losses due to undisclosed liens for which there will be a separate limit.

Guidelines

- Available on refinance mortgages, second mortgages & home equity loans
- Loan amounts up to \$650,000
- Primary borrower FICO credit score used must be 570 or greater
- Maximum LTV/CLTV of 100% to \$650,000
- Property types:
 - Single unit, attached or detached
 - Existing properties
 - Primary residences and second homes only
- Ineligible property:
 - Non-warrantable condos to Freddie/Fannie
 - Rural properties (>2 acres)
 - Leasehold
 - Manufactured housing
 - Unusual properties such as geodesic domes, earth homes, log homes
- Ineligible transactions:
 - Spousal buyouts (refinances)
 - Family transfers

Obligations of Radian/ ExpressClose

- ExpressClose.com Inc. will provide the lender with a Mortgage Lien Report with credit information obtained from three credit bureaus (Trans Union, Experian and Equifax) to identify credit-related items that affect applicant(s) applying for a mortgage, and public records (tax liens, judgements, etc.) that affect the applicant(s) and subject property of the mortgage being applied for.
- ExpressClose.com Inc. will provide the lender with an Ownership and Legal Description Verification Report with regard to each covered loan.

Program Description (cont.)

Obligations of Lender

- Obtain a borrower's application and a borrower's affidavit, described in the Borrower's Lien Affidavit (Exhibit A), for each loan.
- Compare liens on the Mortgage Lien Report, borrower's application and borrower's affidavit described in Exhibit A to verify lien position of the lender when making a loan to the borrower.
- Follow prudent underwriting guideline procedures.
- Originate the mortgage via retail, wholesale and correspondent channels.
- Obtain and maintain in the lender's files the complete loan package for mortgage.
- Provide ExpressClose with an annual report listing all loans that have liquidated and/or paid off.
- With each group of loans delivered under the policy, provide ExpressClose with the required data elements mutually agreed upon by ExpressClose and the lender.

Coverage

Losses paid by the insured arising from covered loan defaults are subject to:

- an aggregate limit for losses arising from undisclosed liens equal to 0.50% (50 basis points) of the initial principal balance of the Covered Loans; and
- an aggregate limit for losses other than those caused by undisclosed liens equal to 0.01% (1 basis point) of the initial principal balance of the Covered Loans.

Undisclosed Lien Claim

Upon the borrower's default, Radian Lien Protection covers a lender's loss due to undisclosed liens.