



Clarity of Coverage.SM

What it is. Why it matters.

We believe in a fresh approach to private mortgage insurance. We believe in restoring confidence that legitimate MI claims will be honored. We believe that insurance should be clear, fair and there when you need it.

We've listened to your concerns about MI coverage, and responded by developing Clarity of Coverage, Master Policy terms that are clear, understandable and – above all – fair.

Find out more about [Clarity of Coverage](#) on the next page

What is Clarity of Coverage? Clarity of Coverage is Essent's binding commitment – in the form of an endorsement to our Master Policy – to equitable treatment of your MI coverage. Clarity of Coverage reduces exposure to mortgage insurance claims being unfairly denied for immaterial misrepresentation, underwriting errors, and missing documents. We believe this transparency underscores the value of Essent MI. When you do business with Essent, Clarity of Coverage comes with every loan. It's not just for some loans or some lenders. And, it stays with each loan for the life of our coverage, protecting anyone who originates, services or purchases a loan with Essent MI. In summary, Clarity of Coverage commits Essent to:

- » Not rescind coverage, for delegated lenders, for underwriting errors or non-compliance when the borrower has made 36 months of timely payments unless there has been a misrepresentation of certain key factors which would have rendered the loan ineligible for Essent coverage.
- » Not rescind coverage for overstated appraised values unless a review appraisal shows at least a 15% overstatement of value when the loan was made and there is evidence showing the appraiser acted improperly.
- » Not assume, without credible evidence, that a lender or its representative was involved in a borrower's fraud.
- » Not rescind coverage when a document that wasn't material to the loan's eligibility or risk assessment is missing from the file.
- » Not rescind coverage when there is a material misrepresentation if, based on the correct information, the loan was still insurable by Essent. In these cases, the correct premium owed to Essent will be collected but coverage can continue.
- » Not use certain unreliable investigative techniques as the sole basis to determine misrepresentation. Essent will use professional and fair investigative approaches in determining if a loan has met our requirements.
- » Not initiate an outside investigation for fraud or misrepresentation after 36 months of consecutive timely payments from the Borrower's own funds, except where we have evidence to support a reasonable belief that a lender or its representative knew or participated, that a fraud ring has been at work, or that regulators or law enforcement is involved.

Clarity of Coverage provides common sense assurances that your MI coverage will be there when you need it. It's not only our pledge, it's how we do business. Essent. Moving forward together.

For more on Essent and Clarity of Coverage, please visit www.essent.us or call 1.877.673.8190.