

Disaster Policy Guidance for Properties Affected by Hurricane Sandy

As a result of property damage due to Hurricane Sandy and related storms and flooding, Essent has implemented disaster policies pertaining to potentially impacted Applications in progress, open Commitments and existing Certificates of Insurance. These policies apply to properties located in counties declared by the Federal Emergency Management Agency (FEMA) as having experienced a Major Disaster with Individual Assistance eligibility.

Property Condition Requirements for Applications in Progress

For existing non-delegated Applications in progress pertaining to applicable properties, Essent will require the lender to certify that the subject property is in the same condition as indicated in the appraisal report submitted with the Application. We will review such certification in connection with our review of the Application prior to issuing the Commitment.

Representations of Property Condition for Open Commitments

While open Commitments pertaining to properties affected by a disaster remain eligible for insurance, Lenders are reminded that property condition representations and warranties remain in effect. Lenders must close affected loans in accordance with representations in the Application for mortgage insurance; accordingly, to ensure policy benefits, lenders should ensure at loan closing that the affected property is in the same condition as was represented in the appraisal report. Otherwise, the property would need to be brought back to such condition prior to submission of a claim.

Age of Documentation for Applications in Progress

As a relief measure to assist borrowers impacted by Hurricane Sandy, Essent supports the amended age of documentation requirements outlined in Freddie Mac Bulletin Number 2012-24. Accordingly, for loans secured by applicable properties with MI Application dates on or before November 1, 2012 and with Note Dates after November 1, 2012, the following requirements apply:

- » Property valuation documentation including the new appraisal (as applicable) may be dated no more than 180 days before the Note Date; and
- » Required underwriting documentation may be dated no more than 180 days before the Note Date.

For these Applications, Essent's requirements for verbal verifications of employment and verifications of existence of business remain unchanged. Verbal verifications of employment (if required) for salaried borrowers must be dated no more than 10 business days prior to the Note Date and verifications of the existence of business (if required) for self-employed borrowers must be dated no more than 30 calendar days prior to the Note Date.

Delegation of Remediation Efforts for Existing Certificates of Insurance

If a Major Disaster such as Hurricane Sandy is the reason underlying default on an insured loan or if such a disaster prevents an existing default from curing, Essent agrees to delegate to the Servicer the authority to postpone Appropriate Proceedings (e.g., filing of the foreclosure complaint or pursuit of the foreclosure sale), such that the Servicer may proceed with such suspension or forbearance without Essent's prior approval. Servicers may also approve repayment or forbearance plans for borrowers in such circumstances. Servicers of Essent-insured loans have Essent's full delegated authority to make these determinations on Essent's behalf. Essent requests after-the-fact notification of any remediation actions via email to LossManagement@Essent.us or by phone at (877) 331-9077.

Please contact your Essent account representative with any questions.