



Client Services Guide

AUGUST 2015

Corporate Headquarters

Essent Guaranty, Inc.
Two Radnor Corporate Center
100 Matsonford Road
Radnor, PA 19087

Operations Center

Essent Guaranty, Inc.
101 South Stratford Road
Winston-Salem, NC 27104
877.569.6547

Mortgage insurance provided by Essent Guaranty, Inc.

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Client Services Philosophy

Essent is committed to providing an exceptional quality of service. To achieve this goal, Essent provides state-of-the-art MI Insurance processing capabilities coupled with a superior Client Services staff. The Client Services Specialists are dedicated to prompt, complete, individualized responses to inquiries regarding any phase of MI servicing. Essent specializes in accommodating lenders' MI needs through streamlined processes.

Essent relies on the Lender/Servicer and Insurance Commitment for the accuracy and completeness of the Loan information. Any omitted information may be requested of the Master Policyholder (originator) and should be remitted as soon as possible.

The instructions and explanations set forth in the following subsections support Essent's philosophy on servicing of mortgage Loans with respect to MI.



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1.0 Introduction to Essent's Client Services Guide

Welcome to Essent's Client Services Guide. We hope you find this useful when you have questions about our procedures for servicing MI with Essent.

The Client Services department is available to assist you Monday thru Friday from 8:00 a.m. until 8:00 p.m. EST. Our team has an average of twenty years of experience in the MI Industry and our number one goal is to provide you with excellent service.

We can be reached toll-free 877-569-6547 and our email address is clientservices@essent.us.

Our mailing address:

Regular mail:
P.O. Box 881
Winston-Salem, NC 27102

Overnight:
101 South Stratford Road Suite 400
Winston-Salem, NC 27104

2.0 Master Policy Processing

The Master Policy is our legal contract with the loan originator and Third Party Beneficiary. It advises the responsibilities, expectations and duties of each party.

Master Policy Approval Process

The Master Policy approval process is facilitated by an Essent Account Manager. The following documents may be requested as part of the MP approval process:

- Master Policy Application
- Lender Information Form
- 2 or more resumes of Lender's Mortgage Management Team
- Audit Report/Lender's Financial Statements

Lenders can be approved for our Delegated Underwriting Endorsement at any time and if approved, we will issue you a Delegated Underwriting Endorsement. If delegated authority is not requested, we will issue a Master Policy with only our Non-Delegated Underwriting Endorsement. Once the requested documents are received, Essent's Risk Department will review for approval. You will be assigned a 10-digit Master Policy number, and you will receive the following documents:

- Master Policy
- Applicable Endorsements
- Underwriting Guideline Summaries
- Privacy Policy
- Cancellation Schedule
- Account Manager Contact Sheet

Our Risk Department will also send a Terms and Conditions letter to the lender once the Master Policy has been issued.



If a lender has branch offices that will be submitting Applications, each office will be assigned its own unique branch policy number. Branch locations will receive a letter indicating their assigned branch policy number, our Underwriting Guideline Summaries, and their assigned Account Manager Contact Sheet.

In the event of a name change, merger or acquisition after a Master Policy is issued, it is the lender’s responsibility to notify Essent and provide documentation supporting the requested change. Depending on the change, a revised Master Policy may or may not be issued. Essent should also be notified of address changes for the Main Office or branches.

If you are a Servicer only, have received prior approval and been assigned a Servicer number, we will not issue you a Master Policy.

3.0 Activation

Essent has several premium plans available for a lender to choose from when submitting an Application. A description and activation requirements are listed in the table below:

PRODUCT	ACTIVATION REQUIREMENTS
Single Premium	Premium remittance, Loan Closing date and new Servicer information if applicable.
Split Premium	Upfront initial premium remittance, Loan Closing date and new Servicer information if applicable
Annual	Initial premium remittance, Loan Closing date and new Servicer information if applicable.
Monthly	Upfront initial premium remittance, Loan Closing date and new Servicer information if applicable
Deferred Monthly	Loan Closing date and new Servicer information if applicable. No Premium Required.

The required information must be submitted to Essent within thirty days of the Loan Closing date. For all product types that require premium to activate, the remittance can be mailed to either address provided in the Introduction to this guide on page 1.

If the product is a deferred monthly, coverage can be activated through our Essent Servicing Online website. If you are not registered, please contact clientservices@essent.us. You may also complete and email page 3 of the Commitment as shown on page 3 to clientservices@essent.us, or fax to us at 336-747-1219.

If activation does not occur within forty-five days of the Loan Closing date, we require a Loan payment history showing the Borrower has made the first mortgage payment on time. The Loan payment history can be emailed to clientservices@essent.us or faxed to 336-747-1219. Once the Loan payment history is reviewed, and approved or denied, you will be contacted by a Client Services member. If approved, the coverage will be activated by Client Services.



Below is a sample of our Activation Notice that is received with a Commitment.

 **ESSENT**
ESSENT GUARANTY, INC.

Commitment and Certificate Number: 99-99999
Lender Loan Number: 99999999
Master Policy Number: 99-9999-9999

ACTIVATION NOTICE

Notice to Master Policyholders:

Essent's Commitment activates into a Certificate of Insurance when the Insured pays the initial premium and makes the Certification contained on the Commitment and Certificate of Insurance policy form.

To facilitate timely activation, please instruct your closing agent to complete and return this document immediately after closing.

Insurance Activation Information
The following information should be provided after closing.

Loan Closing Date _____

Servicer Loan Number _____

Premium Due for Certification _____

To activate your Deferred Monthly Certificate you may:

- Activate online at www.essent.us, go to LOG IN ESSENT ONLINE, and then LOG IN TO MII SERVICING, or:
- Return this Activation Notice either by:
 - Email to clientservices@essent.us
 - Fax to (336) 747-1219
 - Mail at address below

If you need assistance, contact Client Services at 877-569-6547 or Email clientservices@essent.us.

For plans other than Deferred Monthly Premium Plan:

Mail check and this Activation Notice to:

Essent Client Services
101 S. Stratford Road, Suite 400
Winston Salem, NC 27104

Servicing

Please identify the Servicer for this Loan.

Servicer Name _____

Address _____

City/State/Zip _____

Servicer Loan Number _____

If mortgage insurance is no longer required, please indicate "Cancel" and fax to Essent at the Number above.

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You must complete the top section of the Activation Notice. If the Loan is being sold to another Servicer, you will need to complete the Servicing section.

4.0 Billing Process

Essent provides multiple billing options for you to choose from when you become an approved Servicer. The list of options is:

- Standard mailed invoice, email invoice (PDF or Excel) and EDI.
- Billing dates available are 1st, 7th, 14th, 21st and 28th
- Invoices can reflect all premiums due on Certificates or the current month premium due only.



Essent also offers the option of current month billing or delayed billing. A description of both options is outlined below.

Current Month Billing:

Regular Monthly:

Two months premiums should have been collected at Closing. The Loan Closing date is June 21st, so the Borrower's first mortgage payment is due in August. The two premiums will be applied to the June and July premium. In August, you will be billed for the August premium due.

Deferred Monthly:

There is no premium collected at Closing. The Loan Closing date is June 21st. The premium due date will be July 1st. You will be billed in July for the July premium due. You will have until August 31st to pay the invoice which allows sufficient time for you to collect the Borrower's first mortgage payment.

Standard Annual:

The Loan Closing date is June 21st. The first annual premium should have been collected at Closing and sent to Essent to activate the coverage. You will be billed in May of the following year for the June annual premium.

Split Premium:

The upfront premium is collected at Closing and sent to Essent to activate coverage. The billing process for the deferred monthly premium portion is the same as stated above.

Delayed Billing:

Regular Monthly:

Two months premium should have been collected at Closing and one payment should be sent to Essent to activate coverage. The Loan Closing date is June 21st so the Borrower's first mortgage payment is due in August. The premium sent to Essent will be applied to the June premium. You will be billed in August for the July premium.

Deferred Monthly:

There is no premium collected at Closing. The Loan Closing date is June 21st. The premium due date is July 1st. You will be billed in August for the July premium. The invoice will be due August 31st .

Standard Annual:

The Loan Closing date is June 21st. The first annual premium should have been collected at Closing. You will be billed in June of the following year for the June annual premium. The invoice will be due no later than June 30th.

Split Premium:

The upfront premium is collected at Closing and remitted to activate coverage. The billing process for the deferred monthly premium portion is the same as stated above.

Before selecting the delayed billing option you may want to consider that you only have thirty days to remit premium.

In order to best meet your needs, please contact us at clientservices@essent.us to discuss how you would like your billing account set up. If you are an EDI client, please have your Service Bureau and Client Number, or Institution Number available so we can work together to initiate the process.



Below is an example of our standard invoice.

ESSENT <small>ESSENT GUARANTY, INC.</small>		<small>Essent Guaranty, Inc. 101 South Stratford Road, Suite 400, Winston-Salem, NC 27104 (Toll Free) 877-664-6547 (Fax) 336-747-1219 (E-mail) clientservices@essent.us</small>		PREMIUM DUE NOTICE 07/14/2014																													
SERVICER NAME ADDRESS LINE 1 ADDRESS LINE 2 ADDRESS LINE 3 CITY, ST ZIP A/B: NAME			<table border="1"> <tr> <td>Service Insured</td> <td>Master Policy Number</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td>Prem. Due Date</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		Service Insured	Master Policy Number				Prem. Due Date																							
Service Insured	Master Policy Number																																
	Prem. Due Date																																
Renewal Billing																																	
Borrower Name	Loan Number	Certificate Due Date	Certificate Number	Current Balance	Prem Rate%	Tax/Other/Assess/Int		Premium Due	Notes	Exceptions See Instructions																							
						Ratio	Am't																										
LAST NAME/FIRST NAME				\$0.00	.0000 *	.0000	\$0.00																										
LAST NAME/FIRST NAME				\$0.00	.0000 *	.0000	\$0.00																										
LAST NAME/FIRST NAME				\$0.00	.0000 *	.0000	\$0.00																										
LAST NAME/FIRST NAME				\$0.00	.0000 *	.0000	\$0.00																										
Total Premium Due:								\$0.00																									
<small>Rates marked by an Asterisk (*) are Annualized Monthly Rates.</small>						<small>Payments must be received by the Premium Due Date to prevent termination of insurance coverage.</small>																											
Remit Signed Copy						Page 1																											
<table border="1"> <tr> <th colspan="2">Instructions</th> </tr> <tr> <td>Exception & Note Column</td> <td>Enter T if collateral transferred and not paid on this billing, please provide name of new servicer. Enter C if cancelled and not paid on this billing, please provide Date of Cancellation. Verify each servicer's loan number and correct if necessary.</td> <td>Date: _____ Signature: _____ Telephone Number: _____</td> </tr> <tr> <td>Level Premium</td> <td>Pay amount shown in Premium Due Column.</td> <td> </td> </tr> <tr> <td>Annual Declining Premium</td> <td>Record anniversary balance in appropriate column; multiply anniversary balance by premium rate and record amount in Premium Due Column.</td> <td> </td> </tr> <tr> <td>Monthly Declining Premium</td> <td>Record anniversary current balance whenever applicable in appropriate column; multiply anniversary current balance by premium rate, divide this total by 12 and record amount in Premium Due Column.</td> <td> </td> </tr> <tr> <td>Remit</td> <td>Remit total due with signed copy.</td> <td> </td> </tr> <tr> <td>Retain</td> <td>Retain one copy for your files.</td> <td> </td> </tr> <tr> <td>New York Notice</td> <td colspan="2">It is the insured's responsibility to comply with New York law (952)(b)(6). A mortgage shall not be required to pay, directly or indirectly, the cost of continuing insurance on a loan secured by a first lien on NY real estate when the unpaid principal is 75% or less of appraised value when the loan was made.</td> </tr> </table>											Instructions		Exception & Note Column	Enter T if collateral transferred and not paid on this billing, please provide name of new servicer. Enter C if cancelled and not paid on this billing, please provide Date of Cancellation. Verify each servicer's loan number and correct if necessary.	Date: _____ Signature: _____ Telephone Number: _____	Level Premium	Pay amount shown in Premium Due Column.		Annual Declining Premium	Record anniversary balance in appropriate column; multiply anniversary balance by premium rate and record amount in Premium Due Column.		Monthly Declining Premium	Record anniversary current balance whenever applicable in appropriate column; multiply anniversary current balance by premium rate, divide this total by 12 and record amount in Premium Due Column.		Remit	Remit total due with signed copy.		Retain	Retain one copy for your files.		New York Notice	It is the insured's responsibility to comply with New York law (952)(b)(6). A mortgage shall not be required to pay, directly or indirectly, the cost of continuing insurance on a loan secured by a first lien on NY real estate when the unpaid principal is 75% or less of appraised value when the loan was made.	
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5.0 Collection Process

All premiums are due by the Premium Due Date that is indicated on the invoice. If you are on Standard Invoice by mail, you can return your remittance and invoice copy in the envelope that is provided to you. If you are set up for email billing, you must return the PDF or Excel file to clientservices@essent.us with any reconciliation clearly marked. For check remittances, please mail to either address as shown in the Introduction on page 1.

We also accept remittance through ACH credit or wire. Please contact clientservices@essent.us for our account information. Once you are set up and remit through ACH or wire you will need to send notification and the backup to clientservices@essent.us.

6.0 Servicer Transfers

The transfer of Servicing in no way changes the terms or condition under which the Commitment/Certificate was issued. The new Servicer/Insured is merely replacing the original Servicer/Insured and the representations of the original Servicer/Insured become the representations of the new Servicer/Insured.

You can request the transfer of Servicing by email, fax, EDI transaction or by logging on to Servicing Online. If you are sending a commitment by email or fax with the Closing date to activate coverage, you may complete the Servicing section on the Activation Notice received with the commitment (shown on page 3). Once a commitment/certificate is transferred to a new Servicer, you can no longer obtain any information on the Commitment/Certificate.

All Servicers must be approved with Essent. If the Servicer is not approved, the Commitment/Certificate will remain with the original Servicer until the approval process has been completed.

7.0 Disclosures

If you have a Commitment/Certificate and the Borrower was not disclosed the correct amount you will need to contact clientservices@essent.us. If the premium amount is higher than what was disclosed to the Borrower, Client Services will calculate the amount needed to buy down the premium to the disclosed amount. The calculation is based on the difference in premium times sixty months.

Example: Borrower was disclosed premium \$68.20 but the correct premium is \$79.50. The difference is \$11.30 per month. $\$11.30 \times 60 = \678.00 . That is the amount needed to buy down the premium amount to \$68.20.

Any disbursement for a disclosure needs to be sent separately from any other premium payments with an explanation that it is intended for a disclosure.

8.0 Reinstatements

Certificate Termination:

If a Certificate terminates for non-payment of premium, a satisfactory Loan payment history must be provided and approved by Essent before coverage can be reinstated. The Loan payment history must include the past two years, or beginning with the first mortgage payment through the current date if the Loan is less than two years old. If approved, you will be notified and will be expected to remit all premiums due to bring the certificate current. Client Services can provide you with the premium due information, or send you an invoice for all premiums due. If a reinstatement request is denied, you will receive a letter of explanation.

Commitment Expiration:

If a Commitment has expired, but the Loan closed prior to the expiration date, Client Services will activate the coverage as long as the Loan Closing date is within forty-five days of current date. If the Loan has been closed more than forty-five days, Essent will require a payment history showing the borrower has made their first mortgage payment on time. If the Loan Closing date is after the expiration date, you will need to contact clientservices@essent.us. Additional documents may be requested in order to activate the commitment.

9.0 Assumptions/Partial Releases

Any loan assumptions, with or without a release of liability, and any partial releases affecting the subject property must be reviewed and approved by Essent prior to completion. A request in writing, detailing the particular scenario and the applicable required documentation as outlined below, should be submitted to us via email, fax, or mail, using the information provided in section 1.0 on page 1. Once we receive your request, we will submit it to our Risk Department for review. Assumptions will be underwritten in accordance with the then current underwriting guidelines in effect at the time of submission. The following documentation is required before a decision can be made:

Assumptions and Release of Liability:

- Fully executed Loan Application (1003)
- Borrower Certification and Authorization Form(s)
- Credit:
 - New/Remaining borrower's current credit report



- Income:
 - Salaried Borrower(s) - Verification of Employment (VOE), or past 2 years W-2s, or past 2 years IRS tax transcripts, and most recent 30 days pay stub(s), indicating year-to-date earnings
 - Self-Employed Borrower(s) - Most recent 2 years signed personal and business tax returns
- Assets:
 - Verification of deposit or most recent 2 months depository/financial statements
- Other (if applicable):
 - Fully executed Sales Contract/Purchase Agreement
 - Complete copy of Divorce Decree or Separation Agreement, or other evidence of subject property disposition

Partial Release of Collateral:

- Letter/statement addressing the reason for the release, the dollar amount of any consideration being paid, and the details regarding the release
- Current mortgage payment history
- New subject property appraisal report, indicating the value of the parcel being released and the value of the remaining property
- Survey of the subject property, indicating the parcel to be released
- Other (if applicable):
 - Fully executed Sales Contract/Purchase Agreement

Essent reserves the right to request additional documentation as applicable. Once we receive any requested documents and a decision has been made, you will receive an email, and if approved, you will receive a Commitment/Confirmation Endorsement reflecting the changes.

10.0 Cancellations

Cancellation of Mortgage Insurance must be requested by the Servicer. The Servicer may cancel coverage through Servicing Online, email, written request, or through EDI. Essent will not accept requests from Borrowers. If the cancellation is initiated by email or written request, the following information is required:

- Essent Certificate Number
- HPA – Yes or No
- Borrower's Name
- Property Address
- Effective Date of Cancellation
- Mailing Instructions if Refund is Applicable

As stated in our Master Policy, Section I (E) (3) (Refund of Premium upon Cancellation) cancellations cannot be backdated beyond sixty days from the current date.



11.0 Refunds

If a cancellation results in a refund of premium, Essent will mail a check as instructed by the Servicer. If the check is mailed to the Borrower, Essent will notify the Servicer that such action has occurred. If a check is mailed to the Borrower, and is returned for incorrect address, Essent will re-issue the check and make it payable to the Servicer. The re-issued check will be mailed to the Servicer and it is the Servicer's responsibility to obtain the Borrower's mailing information.

12.0 Changes to Certificate

Once a Loan has closed and a Commitment has been activated, any change to the Certificate must be communicated by email to clientservices@essent.us. Depending on the change you are requesting, you may be asked to provide specific documents to support it. For example, if you are requesting a change in the Loan amount, we would ask for a copy of the original note.