









during the ongoing performance monitoring process may require the development of mutually agreeable remediation plans. The components of the monitoring and escalation process are:

- (1) Upfront evaluation and ongoing monitoring of the Insured's loan manufacturing processes;
- (2) Quality Assurance testing on initial Loan submissions and periodic samples on an ongoing basis;
- (3) Monitoring of insured Loan portfolio profile, Loan performance trends (e.g., delinquency and rates of early payment defaults), concentrations of risk and other factors indicative of loan quality and performance;
- (4) Ongoing monitoring of the Insured's financial condition and counterparty strength; and
- (5) Evaluating feedback to the Insured on a periodic basis with respect to Loan performance, risk profiles, manufacturing issues, loss mitigation, and other relevant factors affecting performance of the Insured's portfolio overall and in relation to the Company's expectations.

The Company shall have the right to periodically audit, during normal business hours and upon reasonable advance notice, the records, books and accounts of the Insured pertaining to Loans for compliance with the terms of the Policy and the responsibilities of the Insured in Section I(C)(3X)(a)(1) hereof. If the Company determines that the Insured has not been complying with the responsibilities of the Insured in Section I(C)(3X)(a)(1) hereof, has not performed in accordance with the Company's counterparty approval expectations, or otherwise has not complied with the terms of the Policy, the Company has the right, at its discretion and depending upon the incidence and nature of the lack of compliance, to escalate unresolved issues, and to take such other remedial action as the Company deems reasonable and appropriate, including but not limited to, making product or underwriting guideline revisions, or refusing to accept new Applications for mortgage insurance."

All conditions of the Policy not modified by this Endorsement remain in full force and effect for all Loans insured under the Policy.

**ESSENT GUARANTY, INC.**



Mark A. Casale, President



Mary Lourdes Gibbons, Secretary