



Loan Servicing Guide

Effective date 03/12/2026

Our Loan Servicing Guide provides you with information you need to service your MI-insured loans, including guidelines, requirements and submission options.

Changes throughout the Guide are indicated in magenta.

Summary of Changes

6 Assumptions

We established delegated authority to complete an assumption of mortgage.

7 Partial Releases

We established delegated authority to complete a partial release of collateral.

9.01 Loan Modifications

We updated our guidelines to complete a modification on a current loan.

11.04 Foreclosure Bidding

We updated our guidelines to establish a starting bid.

Table of Contents

Introduction

Gold Cert Coverage

Quick Reference - Submission Options

Section 1: Mortgage Insurance Premium

- | | |
|------|---|
| 1.01 | Premium Plans |
| 1.02 | Premium Due to Activate Coverage |
| 1.03 | Renewal Premium Billing |
| 1.04 | Billing Cycles |
| 1.05 | Billing Options |
| 1.06 | Premium Payment Options |
| 1.07 | Premium Guidelines for Loans in Default |
-

Section 2: Cancellations

- | | |
|------|--|
| 2.01 | Cancelling Mortgage Insurance Coverage |
| 2.02 | Cancellation Covered Under the Homeowners Protection Act |
| 2.03 | Cancellation Not Covered Under the Homeowners Protection Act |
| 2.04 | Premium Refund Guidelines for Cancellations |
-

Section 3: Reinstatements

- | | |
|------|-------------------------|
| 3.01 | Reinstatement Requests |
| 3.02 | Reinstatement Exception |
-

Section 4: Certificate Changes

Section 5: Servicing Transfers

Section 6: Assumptions

- | | |
|------|-------------------------|
| 6.01 | Delegated Authority |
| 6.02 | Non-Delegated Authority |
-

Section 7: Partial Releases

- | | |
|------|-------------------------|
| 7.01 | Delegated Authority |
| 7.02 | Non-Delegated Authority |

Section 8: Loan Status and Activity Reporting

- | | |
|------|---|
| 8.01 | Servicing Report |
| 8.02 | Default Reporting |
| 8.03 | Loan Defect Reporting |
| 8.04 | Mortgage Payment Record Retention |
| 8.05 | Address Confidentiality Program Reporting |

Section 9: Loan Modifications

- | | |
|------|---|
| 9.01 | Modification Guidelines for Current Loans |
| 9.02 | Modification Guidelines for Delinquent Loans |
| 9.03 | Reporting and Approval Requests for Modifications |
| 9.04 | Special Modification Program Requests |

Section 10: Loss Mitigation

- | | |
|-------|--|
| 10.01 | Collections and Borrower Contact |
| 10.02 | Foreclosure Sale Postponement |
| 10.03 | Forbearance Plan |
| 10.04 | Repayment Plan |
| 10.05 | Short Sale and Deed in Lieu of Foreclosure |
| 10.06 | Disaster Relief Guide |
| 10.07 | Payment Deferral Plans |

Section 11: Foreclosure

- | | |
|-------|----------------------------------|
| 11.01 | Foreclosure Commencement |
| 11.02 | Bankruptcy |
| 11.03 | Preserving our Deficiency Rights |
| 11.04 | Foreclosure Bidding |
| 11.05 | Foreclosure Completion |

Section 12: Claim

12.01	Claim Requirements
12.02	Claim Filing
12.03	Core Claim Documents
12.04	Claim Perfection
12.05	Claim Calculation and Curtailment Methodology
12.06	Claim Settlement
12.07	Supplemental Claim

Section 13: Real Estate Owned Property Sale and Election Of Acquisition Option

13.01	Property Sale – Primary Coverage
13.02	Election of Acquisition Option for Primary Coverage
13.03	Property Sale – Pool or Second Layer Coverage

Section 14: Credible Evidence

Section 15: Appeals

Section 16: Exhibits

16.01	Claim Form
16.02	Claim Settlement Examples

Introduction

Master Policy

To view a copy of the Master Policy and all endorsements, see [Master Policyholder Resources](#).

Terms in This Guide

- Capitalized terms relate primarily to [Master Policy 71-70384 \(03/20\)](#).
 - Refer to the applicable Master Policy for definitions
 - Any reference to our Master Policy means the Master Policy under which we insured the loan
- “Borrowers” or “Borrower” may refer to multiple Borrowers or a single Borrower
- “We,” “Us” and “Our” refer to MGIC
- “You” refers to you, the Servicer, and your representatives
- “Beneficiary” refers to the initial Insured, except in the case of a loan transfer, in which the loan transferee will become the Beneficiary
 - GSE Beneficiary means a Beneficiary that is a GSE
- Stated time frames are in terms of calendar days, unless otherwise referred to as business days

References

This guide includes internal references to supporting information in other sections within the document. For example, (2.04) means you will find related information in Section 2, subsection 4. External references are linked to pages on our website, mgic.com.

Special Notes

We will point out information for you to note in *this color and style*.

Support

If you have questions about information in this guide, contact us at customer_service@mgic.com or 1-800-424-6442.

Reservation of Rights

We retain a full and complete reservation of rights. Neither this document nor any action taken by us that may appear inconsistent with this document should be construed as a waiver by us of any rights or defenses we may have. The guide reflects the servicing requirements applicable to the Master Policy. Requirements may vary, based on specific Master Policy endorsements. Refer to your Master Policy and endorsements for reference.

Gold Cert Coverage

See our Rescission Relief Guide at mgic.com/gold-cert for complete Gold Cert coverage information.

Quick Reference - Submission Options

When available, MGIC/Link Servicing is our preferred submission method. Other submission methods include:

Request/Report	MGIC/Link Servicing	Other Submission Options
Premium & Billing		
MI Billing and Format Inquiries		billing_inquiry@mgic.com
Premium Payment Options (Wire/ACH Information)		premium_remit@mgic.com
MI Premium Payment Inquiries		suspense_premium_inquiry@mgic.com
Policy Maintenance		
MI Cancellations	<i>Cancel Coverage</i>	Submit Request for Cancellation of Insurance form via: <ul style="list-style-type: none"> Secure File Transfer (SFT) cancel_requests@mgic.com Fax 1-888-818-0241
Reinstatements		customer_service@mgic.com or fax 1-800-345-3291
Loan Number Changes	<i>Change Loan Numbers</i>	SFT (<i>Portfolio Audits, Servicing Transfers and Loan # Updates</i>) or policy_info@mgic.com
Servicing Transfers	<i>Transfer Servicing</i>	Submit Notice of Change of Servicer form or required information via: <ul style="list-style-type: none"> SFT: Select <i>Portfolio Audits/Servicing Transfers/Loan # Updates</i> Email to policy_info@mgic.com Fax 1-800-711-6442

Request/Report	MGIC/Link Servicing	Other Submission Options
Notice of Assumption		Submit Notice of Assumption form via assumptions@mgic.com or fax 1-800-345-3291
Partial Releases		Submit Notice of Partial Release form via partial_releases@mgic.com or fax 1-800-345-291
Reporting		
Notice of Default	<i>File/Update a Default</i>	Submit a Notice of Default form via: <ul style="list-style-type: none"> • SFT (<i>Claims Query</i>) • claimsquery@mgic.com • Fax 1-800-353-8781
Monthly Default Reports	<i>File/Update a Default</i>	ADR, SFT (<i>Claims Query</i>), claimsquery@mgic.com , or fax 1-800-353-8781
Loan Defect Reporting		lenderqcdefect@mgic.com
Address Confidentiality Program Reporting		Contact Customer Service: <ul style="list-style-type: none"> • 1-800-424-6442 • customer_service@mgic.com
Servicing Reports	<i>Servicing Report</i>	SFT (Select <i>Send Files to MGIC</i> then select <i>Servicing Report</i> under Recipient)
Workouts		
Short Sale (Non-delegated)	<i>Short Sale</i>	SFT (<i>Claims Query</i>) or claimsquery@mgic.com
Deed in Lieu (Non-delegated)	<i>Deed in Lieu</i>	SFT (<i>Claims Query</i>) or claimsquery@mgic.com

Request/Report	MGIC/Link Servicing	Other Submission Options
Foreclosure Postponement, Forbearance and Repayment Plans (Non-delegated)	<i>Other Workout Types</i>	SFT (<i>Claims Query</i>) or claimsquery@mgic.com
Loan Modifications	<i>Loan Modification, MI Loan Activity Report</i>	Submit Notice of Loan Modification form (for an individual loan) or Loan Modification Submission Spreadsheet (for multiple loans) via SFT (<i>Loan Modification</i>) or loanmodrequests@mgic.com
REO		
REO Property Offer Approval		reo_marketing@mgic.com
REO Acquisition Documentation		reo_marketing@mgic.com
Claims		
Initial Claim Filing	<i>File a Claim</i>	<ul style="list-style-type: none"> SFT (<i>Claims Query</i>) claimsquery@mgic.com Fax 1-800-353-8781
Initial Claim Documents	<i>Upload Claim Documents</i>	SFT (<i>Claims Documents</i>) or claims_documents@mgic.com
Supplemental / Appeal of Reduction	<i>File a Claim</i>	SFT (<i>Claims Query</i>) or claimsquery@mgic.com
Claim Status / Explanation of Benefits	<i>Policy Inquiries</i>	SFT (<i>Claims Query</i>) or claimsquery@mgic.com
Appeals of Rescission, Cancellation or Denial		appeals@mgic.com

Section 1: Mortgage Insurance Premium

Premium billing is based on the premium plan and renewal option that the lender selected at the time of origination, as referenced on your mortgage insurance Commitment/Certificate.

1.01: Premium Plans

Monthly Premium

Our monthly premium plan provides a month-to-month coverage term. No premium is due at closing. Billing begins the first month after closing, and payment is due the following month. The billing process continues until the insurance is cancelled.

Choice Monthly and Split Premium

Our Choice Monthly and split premium plans provide a month-to-month coverage term. Part of the premium is paid up front to reduce the monthly premium. The upfront premium can be financed into the loan amount or paid at closing. We bill for the monthly portion of the premium beginning the first full month after closing and continue until the insurance is cancelled.

Single Premium

Our single premium plan provides coverage with a one-time premium payment. The premium is paid at closing.

Our borrower-paid single premium plans provide coverage for a limited time based on the loan's scheduled amortization. Coverage expires automatically when the unpaid principal balance of the loan, based on the original amortization schedule, reaches 78% of the Original Value, regardless of actual payments.

Annual Premium

Our annual premium plan provides coverage for a term of one year. The first-year premium is paid at closing. The renewal premium is due on the Certificate anniversary date. The billing process continues annually until the insurance is cancelled.

1.02: Premium Due to Activate Coverage

Premium due to activate coverage is listed on the Commitment/Certificate. For information on premium payment requirements, refer to our [Underwriting Guide](#).

1.03: Renewal Premium Billing

We provide monthly, Choice Monthly, split and annual premium plan renewal bills.

Premium billing includes:

- Insurance premiums for current and unpaid coverage periods
- Applicable premium taxes or assessments required by any state or local jurisdiction — See [Taxes and assessments](#)

The entire renewal premium is due on the premium due date specified on the bill. Do not alter our calculated premiums, and pay them as indicated on the bill. We will cancel coverage on a Certificate if we do not receive premium within the 60-day grace period, effective the last day of the renewal term for which premium was paid.

For monthly, Choice Monthly, split and annual premium plans, the premium amount due is based on one of the following renewal options:

Declining Renewal

Declining renewal premiums are adjusted annually based on the current mortgage balance. Each year on the Certificate anniversary month, we will send you a bill that requires you to report the current mortgage balance and calculate the current premium due as follows:

- Multiply the mortgage balance by the premium rate (for monthly premiums, divide the results by 12)
- If applicable, multiply the newly calculated premium by the tax/assessment rate

Constant Renewal

Constant renewal premiums are based on the original amount Insured and remain the same for the first 10 years. After 10 years, the premium due may decrease to a lower renewal rate for the remaining life of the insurance.

1.04: Billing Cycles

We issue renewal bills based on a billing cycle of your choice:

Cycles 1-4

- We issue bills the first, second, third and fourth full weekends of the month, respectively
- Bills include coverage dates for the current month's monthly premiums due (and any unpaid coverage periods) and next month's annual premiums due

For example, if the current month is January, the bill is for January monthly premiums due and February annual premiums due.

Cycle 5

- We issue bills the first full weekend of the month
- Bills include billing for the previous month's monthly premiums due (and any unpaid coverage periods) and the current month's annual premiums due

For example, if the current month is January, the bill is for December monthly premiums due and January annual premiums due.

See our [Billing cycles calendar](#) for specific due dates.

Email billing_inquiry@mgic.com to request the billing cycle that best meets your needs.

1.05: Billing Options

Automated Renewal Billing (ARB)

Receive your bill electronically with no minimum portfolio size.

Email integration_services@mgic.com for more information about the vendors and software providers we support.

MGIC/Link Servicing Premium Billing

To receive notification to access your bill via MGIC/Link Servicing, our secure servicing system, email mgiclink_billing@mgic.com.

Paper Billing

We will mail you a paper bill if you do not select an electronic billing format.

1.06: Premium Payment Options

Remit payments via:

- **Check — Mail to MGIC**

Standard Mail Delivery	Overnight Mail Delivery (FedEx, UPS, etc.)
MGIC Box 78461 Milwaukee, WI 53278-8461	MGIC Box 78461 C/O US Bank Wholesale Lockbox MK-WI-TCWL 777 E. Wisconsin Avenue Milwaukee, WI 53202

- **ACH or wire** — To request more information, email premium_remit@mgic.com

1.07: Premium Guidelines for Loans in Default

If a loan Defaults, coverage remains in force and we continue to bill renewal premiums.

If you continue to pay premiums due, any premium paid for the period following the Default that results in a Claim will be refunded at the time of the Insurance Benefit payment.

If you do not continue to pay renewal premiums, and you report the Default to us as cured, we will provide a bill indicating all unpaid premium due. If we do not receive all unpaid premium by the due date indicated on the bill, we will cancel coverage on the Certificate, effective the last day of the renewal term for which premium was paid.

Section 2: Cancellations

2.01: Cancelling Mortgage Insurance Coverage

Notify us to cancel or terminate coverage pursuant to applicable law or the Beneficiary's established guidelines. We do not monitor mortgage insurance cancellation requirements and are not obligated to cancel coverage unless you notify us.

Submission Options

- **MGIC/Link Servicing** — Select *Cancel Coverage* in the main menu
- Submit [Request for Cancellation of Insurance](#) form or required information (see below) via:
 - Secure File Transfer (SFT) — Select Cancellations
 - Secure email to cancel_requests@mgic.com
 - Fax 1-888-818-0241
- For multiple cancellations, Electronic Data Interface (EDI) format is also available. Contact integration_services@mgic.com for more information on EDI technology.

Information Required

In lieu of a Request for Cancellation of Insurance form, provide the following information via SFT, email or fax:

- MGIC Certificate number
- Servicer's loan number
- Borrower's name
- Subject Property address
- Reason for cancellation
- Cancellation effective date
- Payee's name and address if a refund is due

Premiums Due After Cancellation

Since monthly premiums are generally paid in arrears (unlike annual or single premiums, which are paid in advance), it is possible that premium will be due at the time of cancellation. If so, we will send you a bill indicating the amount due.

Noncancellable Coverage

Insurance under certain Master Policies may not be cancelled unless the loan is paid in full, or has amortized or been paid down to a specified loan-to-value ratio. Email cancel_requests@mgic.com with questions regarding cancellation on a loan with noncancellable coverage.

2.02: Cancellation Covered Under the Homeowners Protection Act

The [Homeowners Protection Act of 1998 \(HPA\)](#) covers single-family primary residence loans that closed on or after July 29, 1999. HPA provides for Borrower-requested cancellation and automatic termination. It is your

responsibility to notify us when coverage terminates under HPA automatically or due to a Borrower-requested cancellation.

2.03: Cancellation Not Covered Under the Homeowners Protection Act

Investors establish the criteria for cancelling mortgage insurance for loans not covered by HPA. This includes second homes, investment properties and where the Property's current value is used.

Fannie Mae and Freddie Mac requirements are provided in their guides and are subject to change. Refer to the agencies' guides for the most current mortgage insurance cancellation information. Check other investors' mortgage insurance cancellation requirements.

2.04: Premium Refund Guidelines for Cancellations

We offer refundable and nonrefundable premium plans (1.01). Premium refundability is specified on the loan's insurance Commitment/Certificate.

Refundable Premium Plans

Premium Plan	Initial Insurance Effective Date	Refund Calculation
Annual Premiums	Prior to 7/29/1999	See Annual Premium Refund Schedule
	On or after 7/29/1999	Prorated refund Calculated based on the number of days of coverage in force divided by 365 days
Monthly Premiums	N/A	Prorated refund Calculated based on the number of days of coverage in force divided by 30 days
Single Premiums - Borrower-Paid	N/A	See Single Premium Refund Schedule

We will not provide a refund for any period more than 45 days prior to our receipt of the required mortgage insurance cancellation notice.

We will only refund annual and single premiums of less than \$5 upon request.

Premium Refunds After Cancellation Delivery Options

- **Direct deposit** — We will electronically transfer your refund to a designated account within as few as 2 business days of processing your refund request. Go to mgic.com/speedyrefund to authorize direct deposit. Once we receive your authorization, we will:
 - Work with you to set up direct deposit for your designated branches or offices

- Test to ensure the successful transfer of future funds
- Email a daily direct deposit reconciliation report to your designated email address the day before funds are deposited to your account
- For more information, contact suspense_premium_inquiry@mgic.com
- **USPS mail** — We will process and create a separate refund check for each refund and mail individual checks to you via USPS mail

Non-refundable Premium Plans

Our Borrower-paid non-refundable premium plans may be partially refundable if mortgage insurance is terminated under the Homeowners Protection Act. These refunds are based on our [HPA refund schedules](#). Otherwise, premium under these plans is nonrefundable.

Section 3: Reinstatements

3.01: Reinstatement Requests

We will consider requests to reinstate cancelled coverage.

Information Required

Email or fax the following information:

- MGIC Certificate number
- Borrower's last name
- Subject Property address
- 12-month mortgage payment history
- Reason for reinstatement and supporting documentation
- Requestor's name and contact information

Submission Options

- Secure email to customer_service@mgic.com with the subject line "Reinstatement request"
- Fax 1-800-345-3291

We will contact you if we require additional information. After review, we will approve or deny your request.

If we approve the reinstatement request, we may generate a reinstatement bill. If we receive the premium payments by the premium due date indicated on the reinstatement bill, we will reinstate coverage retroactively to the termination effective date.

3.02: Reinstatement Exception

If an error or omission involving a servicing transfer results in unpaid premium and insurance coverage is terminated, we will reinstate coverage on the affected loans if we receive the following within 60 days after expiration of the premium payment grace period:

- Notification of the servicing transfer
- Payment of the entire renewal premium for all affected loans

Information Required

Email or fax the following information:

- MGIC Certificate number
- Borrower's name
- Subject Property address
- New Servicer's name and contact information
- Requestor's name and contact information
- Effective date of servicing transfer

Submission Options

- Secure email to customer_service@mgic.com with the subject line "Reinstatement request"
- Fax 1-800-345-3291

Section 4: Certificate Changes

After Certificate activation, you may need to change or correct Certificate loan information, such as Borrower name and Property address, or insurance terms.

Submit all requests as soon as possible, including the change or correction details and reason. If we need additional documentation to process your request, we will contact you.

We will review your request and evaluate whether the changes increase our exposure according to our Underwriting Guidelines in effect as of the date of the change request. Changes are subject to approval. If approved, we will issue a Certificate endorsement reflecting the change and update our records accordingly. If additional premium is due as a result of the change, we will send you a bill.

Information Required

Email or fax the following information:

- MGIC Certificate number
- Borrower's last name
- Subject Property address
- Detail of the change or correction requested, including current and new information
- Reason for the change or correction
- Requestor's name and contact information

Submission Options

- Secure email to customer_service@mgic.com with the subject line "Certificate changes"
- Fax 1-800-345-3291

Report Servicer Loan Number changes via MGIC/Link Servicing — Select Change Loan Numbers in the main menu. (For other changes or corrections, or for multiple changes or corrections, use one of the other submission options noted previously.)

For Certificate changes or corrections before activation, refer to our [Underwriting Guide](#).

Section 5: Servicing Transfers

Notify us within 60 days of acquiring or selling servicing rights for a loan. The new Servicer must be an approved MGIC Servicer. The transferor (seller), transferee (buyer) or Beneficiary may submit this notification.

Submission Options

- **MGIC/Link Servicing** — Select *Transfer Servicing* in the main menu
- Submit Notice of Change of Servicer form or required information (see below) via:
 - Secure File Transfer (SFT) — Select *Portfolio Audits/Servicing Transfers/Loan # Updates*
 - Secure email to policy_info@mgic.com
 - Fax 1-800-711-6442

Information Required

In lieu of a Notice of Change of Servicer form, provide the following information via SFT, email or fax:

- MGIC Certificate number
- Borrower's last name
- Selling Servicer's name
- New Servicer's name and address
- New Servicer's loan number, if available
- Effective date of the change of Servicer
- Requestor's contact name and information

If your service bureau already provides us electronic notification of servicing transfers, do not send any additional documentation.

Section 6: Assumptions

An assumption is a change in ownership of the Property whereby the new owner agrees to assume primary liability for payment of the existing mortgage. You are responsible for executing applicable legal documents for the assumption.

6.01: Delegated Authority

You may complete an assumption without prior MGIC approval when all the following eligibility requirements are met.

The transfer of ownership is to a permitted assignee after a permitted event:

Permitted Assignee	Permitted Event
Spouse	<ul style="list-style-type: none">• Death of a Borrower• Divorce or dissolution of marriage
Beneficiary	Transfer into or out of a trust

- You've obtained and reviewed documentation sufficient to confirm the assuming Borrower qualifies under the then-current MGIC Underwriting Guidelines
- The assuming Borrower will occupy the property as their primary residence
- The terms of the loan do not change

When an assumption is processed under delegation, you must notify MGIC of the completed assumption and submit the following documentation:

Documentation Requirements

Completed [Notice of Assumption](#) form.

Submission Options

- Secure email to assumptions@mgic.com with the subject line "Assumption request."

All assumption requests that don't meet the above requirements must be submitted for MGIC approval before completing the assumption, in accordance with section [6.02](#).

6.02: Non-Delegated Authority

Assumptions that don't meet the delegated authority guidelines in [6.01](#) require our approval before completion. We'll underwrite the assuming Borrower based on the Underwriting Guidelines in effect at the time the assumption approval request is submitted.

Documentation Requirements

- Completed [Notice of Assumption](#) form
- Loan application (Fannie Mae form 1003 or equivalent)
- Income and employment documentation
- Asset documentation
- Credit documentation
- Sales contract/reason for assumption

Submission Options

- Secure email to assumptions@mgic.com with the subject line "Assumption request"

We'll review and respond to all assumption requests within 10 business days with either an approval or denial. If we require additional documentation to evaluate the request, we'll deny the request and indicate the information we still need. Submit a new request with the required documentation.

Section 7: Partial Releases

A partial release is the release of a portion of the collateral securing the loan. The release may be voluntary or involuntary.

7.01: Delegated Authority

You may complete a partial release without prior MGIC approval when all of the following eligibility requirements are met:

- The partial release is a result of eminent domain
- All proceeds received in compensation for the seizure are applied to the unpaid principal balance

When a partial release is processed under delegation, you must notify us of the completed partial release by submitting the following documentation:

Documentation Requirements

- Completed [Notice of Partial Release](#) form
- A brief description of the release (partial or easement) effective date, any proceeds and their application

Submission Options

- Secure email to partial_releases@mgic.com with the subject line "Partial Release"
- Fax 1-800-345-3291

You must notify MGIC within 30 days of completing the partial release.

All partial releases that don't meet the above requirements must be submitted for MGIC approval before completing the release in accordance with section [7.02](#).

7.02: Non-Delegated Authority

Partial releases that don't meet delegated authority guidelines require prior approval before implementation.

Documentation Requirements

Submit the [Notice of Partial Release](#) form and include the following:

- Explanation of why the release is being requested
- The amount of the compensation being paid in exchange for the release, if applicable
- Most recent 12-month mortgage payment history
- Survey outlining complete parcel, what is being released, and proximity to the improvements
- Copy of the original note
- Copy of the complete origination appraisal, including all addenda
- Copy of the pending sales contract, including all pages with the addendum, if applicable
- New appraisal, including the following:

- Value of the Property BEFORE release
- Value of the Property AFTER release
- Statement from appraiser addressing the impact of the partial release on Property marketability after the release
- All addenda, attachments and photographs

Section 8: Loan Status and Activity Reporting

8.01: Servicing Report

The monthly servicing report provides the status of all loans (both current and delinquent loans). If requested, submit the report on or before the 25th day of each month for the prior month's activity. For more information, see [Servicing Report](#).

8.02: Default Reporting

8.02.01: Requirements

Initial Notice of Default

We require you to notify us when a loan becomes 2 consecutive payments past due. File a Notice of Default no later than the 25th day of the month in which the Borrower's second consecutive missed payment remains unpaid.

Subsequent Monthly Default Reporting

We require you to continue providing monthly updates for all loans that remain in Default. Report the status of each loan in Default on or before the 25th day of each month, and continue until a Claim is submitted, or the Default has been reported as cured. The Default should be reported as cured when there are no longer any payments past due or the loan has been paid in full.

8.02.02: Reporting Options

Automated Default Reporting (ADR)

Report delinquent loan information via an automated data file in an industry-recognized format. ADR is supported by most service bureaus and is the preferred reporting method of Servicers. If you report via ADR, do not submit a notice of default or Monthly Delinquency Loan Status Report.

If a loan previously reported delinquent is not on the current month's ADR file, we will send you a Monthly Exception Audit (MEA) report. Review the MEA and provide loan updates as applicable.

For more information about ADR, see section [17.03](#) or contact integration_services@mgic.com.

MGIC/Link Servicing

File a Notice of Default and provide monthly updates on delinquent loans using our online tool:

- Log in to MGIC/Link Servicing from mgic.com
- Select *File/Update* a Default in the main menu
- Enter the requested information

Manual Reporting Options

Submit [Notice of Default \(NOD\)](#) forms and Monthly Delinquency Loan Status Reports that we provide for you to update via:

- Secure File Transfer (SFT) — Select Claims Query

- Secure email to default_reporting@mgic.com
- Fax 1-800-353-8781

8.03: Loan Defect Reporting

If you become aware of a Significant Defect, Single Loan Fraud or Pattern Activity with respect to a loan, you are required to notify us within 30 days of discovering such information.

If you receive a repurchase request from a GSE or Investor, notification is required within 30 days of the request and should include all related documents.

Submission

Submit required documentation via secure email to lenderqcdefect@mgic.com.

8.04: Mortgage Payment Record Retention

We require you to maintain the mortgage payment record, including payment history, in a legible and retrievable format. You must employ industry-standard controls that document the maintenance and quality of the mortgage payment record. You must also provide documentation upon request.

8.05: Address Confidentiality Program Reporting

For a loan in which a Borrower is enrolled in a state Address Confidentiality Program, the servicer must contact MGIC Customer Service, 1-800-424-6442 or customer_service@mgic.com, to provide a legal substitute address.

Section 9: Loan Modifications

A loan modification is any change in the terms of the loan including principal balance, interest rate, payment terms or amortization schedule, regardless of whether the loan status is current or delinquent.

9.01: Modification Guidelines for Current Loans

You may complete a modification of a current loan without prior MGIC approval when all of the following eligibility requirements are met:

- The purpose of the loan modification is to reduce the Borrower's interest rate or to reamortize ("recast") the loan following a principal reduction payment
- The modification doesn't result in:
 - An increase to the loan's original term
 - An increase to the Borrower's monthly principal and interest payment
 - An increase to the unpaid principal balance

When performing a loan modification and meeting these conditions is completed, you must notify MGIC of the updated terms outlined in [9.03](#).

9.02: Modification Guidelines for Delinquent Loans

For delinquent loans, offer a loan modification when the Borrowers have the desire and financial ability to continue making mortgage payments after the loan is modified.

You have delegated authority to implement the terms of GSE-sponsored Loan Modification programs. Follow the options and requirements of the GSE when implementing these delegated programs.

For non-GSE loans, refer to the Loan capitalization limits based on Policy Type.

Loan Capitalization Limitation Guidelines by Policy Type

Policy Type	Loan Capitalization Limitation
Primary	110% of original UPB
Pool or Primary with Pool	105% of original UPB

**The loan capitalization limitation includes the modified amortized principal, plus forgiveness or forbearance amounts*

If we do not offer delegated authority for a particular modification program, we will approve your delinquent loan modification request either as submitted or with an approval condition, provided we receive all required information at the time you report the modification. Modified loans with capitalization may include an

approval condition limiting the amount of the capitalized unpaid principal balance (UPB) that we would allow on a future Claim if the Borrower Defaults on the loan again.

9.03: Reporting and Approval Requests for Modifications

9.03.01: Submission Requirements

- Submit and request approval for current loan modification requests prior to implementing the permanent modification terms
- Report delinquent loan modifications within 30 days of the date the permanent modification is effective

9.03.02: Submission Options

Individual Modifications

- MGIC/Link Servicing — Select *Loan Modifications* in the main menu
- Submit [Notice of Loan Modification](#) form via:
 - Secure File Transfer (SFT) — Select *Loan Modifications* in the main menu
 - Secure email to loanmodrequests@mgic.com

Multiple Modifications

- Submit a Loan Modification Submission Spreadsheet via:
 - MGIC/Link Servicing — Select *Loan Modifications* in the main menu
 - Secure File Transfer (SFT) — Select *Loan Modifications*
 - Secure email to loanmodrequests@mgic.com

9.03.03: MGIC Response

- We will respond within 10 business days with either a letter for individual loan modification submissions, or a decision report for files submitted that contain multiple loan modifications
- Our response will state if the modification is approved with a condition limiting the capitalized unpaid principal balance, or denied
- We may deny modification on delinquent loans if information and/or documentation is missing, in which case our response will indicate the additional information we need to evaluate your request. If you submitted a data file containing multiple loan modifications, we will return your file and indicate the additional information needed. Submit a new request with the required information

9.03.04: Additional Premium

- If additional premium is due based on the modified principal balance subject to our limitation of the capitalized unpaid principal balance, we will include that information with our response
- All premium is due within 60 days of approval notification
- If you do not proceed with an approved modification and premium payment is affected, notify us within 60 days of our approval so we may correct our premium billing records

9.04: Special Modification Program Requests

Special or proprietary loan modification programs require MGIC's prior approval. You may submit these requests to your MGIC Account Representative.

Section 10: Loss Mitigation

Our Master Policy requires that you assist us in preventing and mitigating our losses. Both Sections [9](#) and [10](#) of our Servicing Guide outline our loss mitigation requirements.

You have delegated authority to implement the terms of all GSE-sponsored Workout programs.

For all GSE loans, follow the Workout options and requirements of the GSE when implementing these delegated programs.

For all non-GSE loans, you may perform Workouts specified in [10.02](#), [10.03](#), [10.04](#), [10.05](#), [10.06](#) and [Section 9](#) as long as the terms comply with our guidelines for delegated authority, which apply to primary coverage and pool or second layer coverage. Delegated authority can be revoked upon notice from us. Workouts that fall outside of your delegated authority require our prior approval before implementation.

10.01: Collections and Borrower Contact

We require you to conduct diligent Borrower contact and collection of the mortgage debt in compliance with GSE published guidelines.

We also require you to offer Workouts such as repayment plans ([10.04](#)), forbearance plans ([10.03](#)) or loan modifications ([9](#)) to Borrowers who have the ability to cure a delinquency in compliance with industry standards and applicable law.

10.02: Foreclosure Sale Postponement

You may postpone a scheduled foreclosure sale in order to pursue a forbearance plan, repayment plan, loan modification or short sale. See Section [10.06](#) for Disaster Relief Guidelines.

Foreclosure sale postponements for any other reason require our prior approval.

Information Required

- Date of foreclosure initiation
- Timeline needed for postponement
- Information detailing the reason for postponing the foreclosure sale

Submission Options

- MGIC/Link Servicing — Select *Other Workout Types* in the main menu
- Secure File Transfer (SFT) — Select *Claims Query*
- Secure email to claimsquery@mgic.com

We will review and respond to your request within 10 business days with either an approval or denial. If we require additional documentation to evaluate the request, we will deny the request and indicate the information we still need. Submit a new request with the required documentation.

10.03: Forbearance Plan

See section [10.06](#) for Disaster Relief Guidelines.

10.03.01: Delegated Authority

You have delegated authority to complete a forbearance plan on loans that meet the following criteria:

- The forbearance term does not exceed 6 months from the loan due date
- The Borrower is unable to make full monthly payments
- The forbearance plan is part of a broader Workout strategy for home retention or sale
- At the conclusion of the forbearance agreement, one of the following actions occurs:
 - The loan is no longer in Default, either through Borrower payments or the execution of a loan modification, deferment or repayment plan
 - The loan is paid in full
 - The Property is sold

Continue to report loans in Default during a forbearance plan. Refer to section [8.02](#).

10.03.02: Non-delegated Requirements

Forbearance plans that do not meet the delegated authority guidelines require our prior approval before implementation.

Information Required

- Terms of the forbearance plan
- A complete financial package disclosing all income, assets and expenses from the last 2 months
- Letter of hardship written by the Borrowers or a personal representative
- Proof of the Borrowers' ability to resolve the delinquency

Submission Options

- MGIC/Link Servicing — Select *Other Workout Types* in the main menu
- Secure File Transfer (SFT) — Select *Claims Query*
- Secure email to claimsquery@mgic.com

Continue to report loans in Default during a forbearance plan. Refer to section [8.02](#).

We'll review and respond to your request within 10 business days with either an approval or denial. If we require additional documentation to evaluate the request, we will deny the request and indicate the information we still need. Submit a new request with the required documentation.

10.04: Repayment Plan

10.04.01: Delegated Authority

You have delegated authority to execute a repayment plan. The repayment term may not exceed 12 months from the loan due date.

10.04.02: Non-delegated Requirements

Repayment plans that do not meet the delegated authority guidelines require our prior approval before implementation.

Information Required

- Terms of the repayment plan
- A complete financial package disclosing all Borrowers' income, assets and expenses from the last 2 months
- A letter of hardship written by the Borrowers or a personal representative
- Proof of the Borrowers' ability to resolve the delinquency

Submission Options

- MGIC/Link Servicing — Select *Other Workout Types* in the main menu
- Secure File Transfer (SFT) — Select *Claims Query*
- Secure email to claimsquery@mgic.com

We will review and respond to your request within 10 business days with either an approval or denial. If we require additional documentation to evaluate the request, we will deny the request and indicate the information we still need. Submit a new request with the required documentation.

10.05: Short Sale and Deed in Lieu of Foreclosure

Short sales or deeds in lieu may be appropriate when all home retention options have been exhausted, and the Borrowers are unable or unwilling to continue making their full mortgage payments. We prefer a short sale under these circumstances, but recognize that there are situations in which a deed in lieu of foreclosure may be an appropriate Workout option.

On Fannie Mae or Freddie Mac loans, follow investor guidelines. We have delegated approval authority to Fannie Mae and Freddie Mac for short sale and deed in lieu Workouts.

10.05.01: Delegated Authority

You have delegated authority to complete a Borrower-titled short sale or deed in lieu on all non-GSE loans regardless of occupancy type where the Borrowers do not qualify for a loan modification, and do not have the long-term financial ability to continue paying their full mortgage payment, subject to compliance with all of the following guidelines:

Short Sale

- Unless foreclosure has been initiated, the Borrowers must meet one of the Allowable Hardship Scenarios (see next table) OR have filed for bankruptcy
- Sale price is based on an interior Property valuation completed within 120 days of the date of the short sale approval
- Variance between the "as-is" and "repaired" values is $\leq 15\%$
- Net Proceeds must be equal to, or greater than, 82% of the as-is value
- Borrowers must not receive any funds from the sale of the Property, including relocation assistance or any other incentives

- Borrowers must not retain or regain ownership of the Property
- Second mortgage payoff not to exceed the lesser of \$6,000 or 50% of the current outstanding second lien amount

Deed in Lieu

- Unless foreclosure has been initiated, the Borrowers must meet one of the Allowable Hardship Scenarios (see next table) OR have filed for bankruptcy
- The scheduled foreclosure sale date must be more than 60 days from the date of approval of the deed in lieu and may not be postponed to allow for deed in lieu consideration
- Title to the Property must be free and clear of all subordinate liens or encumbrances

Allowable Hardship Scenarios

Delinquency	Stated Hardship Reason	Credit Score
Current or ≤ 60 Days	Death; Long-term disability; Distant employment transfer (> 50 miles)	N/A
> 60–120 Days	Same as above, plus: Unemployment/income reduction; Divorce	N/A
> 120 Days	Any hardship reason	< 620

Borrower Contribution Requirements – Cash Contributions

MGIC delegated (Non-GSE):

- It is your responsibility to determine whether a Borrower contribution is permissible under applicable law
- We do not require you to obtain a contribution from the Borrower; doing so is at your discretion
- If you do obtain a cash contribution, it must be paid to you at closing or upon execution of the deed in lieu. We will reduce the Insurance Benefit by the cash contribution amount

Second Lien Payoff Provisions (Short Sales Only)

Second lien payoff provisions apply to second mortgages owned by a third party (a legal entity unaffiliated with the Servicer).

If we elect the Third-Party Sale Option ([12.06](#)) in settlement of the Claim, we will reduce the Claim Amount by the lesser of \$6,000 or 50% of the current outstanding second lien payoff amount.

10.05.02: Non-Delegated Requirements

Short sales and deeds in lieu that do not meet the delegated authority guidelines require our prior approval before the sale or deed in lieu is completed.

Documentation Requirements

- Borrowers' financial analysis
- Documentation for all Borrowers' sources of income from the last 2 months, including but not limited to, pay stubs and any asset accounts that provide 1099 income from interest or dividends (such as checking, savings and investment accounts; money markets; CDs; stocks; bonds; trusts; and annuities)
- Federal tax returns for the last year or IRS Form 4506-T, Request for Transcript of Tax Return, completed and signed by the Borrowers
- Letter of hardship written by the Borrowers or a personal representative indicating the reason for Default
- Financials, income and expense breakdown, current within the last 90 days
- Recent credit report dated within the last 90 days
- Estimated HUD-1 Settlement Statement or Net Sheet (short sale only)
- Executed Offer to Purchase agreement (short sale only)
- Loan payoff statement, including all fees and costs within the last 30 days
- Broker's Price Opinion (BPO) or an appraisal no more than 90 days old — or up to 120 days old, at your discretion — including interior photographs

Submission Options

- MGIC/Link Servicing — Select *Short Sale* or *Deed in Lieu* in the main menu
- Secure File Transfer — Select *Claims Query*
- Secure email to claimsquery@mgic.com

We will review and respond to your request within 10 business days with either an approval or denial. If we require additional documentation to evaluate the request, we will deny the request and indicate the information we still need. Submit a new request with the required documentation.

10.06: Disaster Relief Guide

Foreclosure Postponement

When a natural disaster is the reason underlying a Default or is preventing a Borrower from curing an existing Default, Servicers may postpone foreclosure proceedings up to 90 days.

Forbearance

Servicers are authorized to offer impacted Borrowers a forbearance plan term of up to 12 months without MGIC's approval. After a forbearance plan is granted, the servicer must continue to work with the Borrower and evaluate other potential home retention and Workout options.

Reporting Defaults During a Forbearance Period

Continue to report loans in Default during a forbearance period. Refer to section [8.02](#).

10.07: Payment Deferral Plans

Through the Default Workout process, Servicers may work with Borrowers to implement a payment deferral plan. In a payment deferral plan, the loan is brought current and the sum of the past due amounts (including principal, interest, escrow advances and fees) becomes a separate, non-interest-bearing balance that is due and payable in its entirety at loan maturity or payoff, whichever occurs first. All other terms of the loan remain unchanged, and the Borrower resumes their regular payment.

10.07.01: Delegated Authority

You have delegated authority to complete payment deferral plans that follow GSE Payment Deferral Guidelines, for both GSE and non-GSE loans. Refer to the Fannie Mae or Freddie Mac Servicing Guides for requirements.

All payment deferral plans should be reported to MGIC within 30 days after implementation. See 10.07.03 for reporting requirements and submission options.

10.07.02: Non-Delegated Requirements

Payment deferral plans that do not meet the delegated authority guidelines described above require our approval prior to implementation.

Information Required

- Terms of the payment deferral plan
- A complete financial package disclosing all income, assets and expenses from the last 2 months
- Letter of hardship written by the Borrowers or a personal representative
- Proof of the Borrowers' ability to resolve the delinquency

10.07.03: Reporting and Submission Options

Submit completed reporting templates via:

- Secure File Transfer (SFT) - *Select Servicing Report*
- Secure email to servicingreport@mgic.com

[Deferred Payment Program template](#)

Section 11: Foreclosure

11.01: Foreclosure Commencement

If you cannot resolve a Default through a Workout, initiate foreclosure by filing a complaint in the appropriate court or publishing a notice of sale, or by such process as required by applicable law, by the later of:

- 30 days after the date that the loan remains in Default for 6 consecutive months, or
- 60 days after the earliest date after such 6-month period that Appropriate Proceedings may be commenced under applicable law

11.02: Bankruptcy

In the event of Chapter 7 or Chapter 13 bankruptcies, initiate foreclosure within 60 days after the first of the following occurs:

- The automatic stay is lifted
- The bankruptcy case is dismissed
- The Borrowers are discharged

For a Chapter 13 bankruptcy, file a petition for relief from the bankruptcy stay within 60 days after the Borrower has missed 2 consecutive payments under the bankruptcy plan.

Report a Bankruptcy

If a bankruptcy is filed on a delinquent loan, report the bankruptcy to us through the monthly Default reporting process. For reporting options, see [8.02](#).

11.03: Preserving our Deficiency Rights

File the appropriate action(s) preserving our right to pursue a deficiency in conformity with state foreclosure statutes. We may pursue deficiency judgment in the following states:

AR, CO, CT¹, DC, DE, FL, HI, ID, IL, IN, KY, LA, MA, MD, ME, MI, MO, MS, NC, NH, NM, NV, OH, OK, RI, SC², TN, TX, UT, VA, WV

If we intend to pursue a deficiency judgment, we may request additional documentation upon Claim submission.

If you would like to request a deficiency waiver, send a secure email to claimsquery@mgic.com. Include the following information with your request:

- MGIC Certificate number
- Borrower's name
- Property address
- Total debt
- Value (BPO or appraisal) no more than 120 days from approval
- Reason for the request

- Requestor's name and contact information

¹In a strict foreclosure action, we require you to file a motion for deficiency within 30 days of title vesting.

²The deficiency should be demanded in the initial pleadings.

11.04: Foreclosure Bidding

11.04.01: GSE Bid Instructions

For GSE loans, bidding is delegated to them. Refer to their respective guides.

11.04.02: Non-GSE Bid Instructions

You will need to know the fair market value of the Property and the total debt amount to determine your bid.

Fair Market Value (FMV)

To determine the appropriate FMV, use either a BPO or appraisal (appraisal when required by state statute) that meets both of the following criteria:

- The BPO or appraisal was completed within 120 days prior to the foreclosure sale date
- The BPO or appraisal includes both an "as-is" and "repaired" value

For variances between "as is" and "repaired" values:

- If the variance between the "as-is" and "repaired" values is 10% of the repaired value or less, use the "as is" value for FMV
- If the variance between the "as-is" and "repaired" values is greater than 10% of the repaired value, use the "repaired" value for FMV

Total Debt

The total amount of debt associated with the mortgage includes principal, interest and any additional costs incurred (such as attorney fees and Property preservation costs).

11.04.03: Bid Instructions

If:	Then:
The property is in a state with a statute that requires a lower opening bid amount:	<ul style="list-style-type: none"> • Open bidding following the state statute • Continue bidding until you are the winning bidder or you reach 85% of the FMV or total debt, whichever happens first

If:	Then:
The property is in a state that allows for a redemption period after the foreclosure sale:	<ul style="list-style-type: none"> • Open bidding at total debt • You are not required to continue bidding
All other states:	<ul style="list-style-type: none"> • Bid the lesser of 85% of the FMV and the Total Debt amount • You are not required to continue bidding

11.05: Foreclosure Completion

Diligently pursue completion of foreclosure in compliance with the state time frames described in [Fannie Mae's exhibit](#) on their website or as we direct. (Page 2 of the exhibit does not apply to our process for evaluating allowable days on a Claim. See below for a description of our process.)

These foreclosure state time frames specify the number of days we generally cover between the due date of the last paid installment (LPI) and foreclosure sale date. These state time frames are based on the preferred method of foreclosure and apply to Claims on loans where a foreclosure sale has been completed. For loans approved by a GSE for an alternate foreclosure method, include a copy of the GSE approval with your Claim.

If the number of days claimed exceeds the foreclosure state time frame, additional time may be covered if you can demonstrate that the delay occurred despite diligent servicing and loss mitigation activities or is attributable to events outside of your control. Please include with your Claim a chronology of events demonstrating efforts pertaining to collection, foreclosure, loss mitigation, bankruptcy, loan repurchase or indemnification demands and other legal activities, as applicable ([12.03](#)). We will review the information to determine if additional days claimed will be covered. For loans insured under [Master Policy 71-43342 \(10/14\)](#) and [Master Policy 71-70384 \(03/20\)](#), we will not cover more than 36 months of unpaid accumulated interest and Advances.

Section 12: Claim

12.01: Claim Requirements

The submission of a Claim is a representation that the Claim and any supporting documentation submitted with the Claim is complete and accurate and that all conditions precedent to Claim submission under the applicable Master Policy have been met.

When you submit a Claim, provide us with the following:

- A properly completed Claim ([12.02](#)) and the Core Claim Documents, as identified in [12.03](#)

Note: When submitting a Claim, you acknowledge state fraud warnings (see mgic.com/warnings).

12.02: Claim Filing

Either you or the GSE Beneficiary may file primary coverage Claims, or pool or second layer coverage Claims.

Primary Coverage Claim Time Frame Requirements

For Claims on Loans Insured Under Master Policy 71-70384 (03/20)

File a Claim within 60 days of the first to occur:

- Completion of the foreclosure sale of the Property, regardless of whether certification, confirmation or ratification of the sale has occurred;
- Conveyance of title to the Property by execution of a deed in lieu of foreclosure; or
- Closing of a Third-Party Sale by the Borrower

For Claims on Loans Insured Under All Other Policies:

File a Claim within 60 days of the earlier of:

- Transfer of Borrower's title through foreclosure or deed in lieu (do not wait for executed deed to be recorded or the sale closing of the REO Property)
- Completion of a Property sale (Borrower-titled short sale)

In states where a redemption, confirmation or ratification period exists, you have the option to file the Claim anytime after the foreclosure sale date, but no later than 60 days after the expiration of the redemption, confirmation or ratification period.

Pool Coverage Claim Time Frame Requirements

File within 60 days after completion of the sale of the Property.

Submission Options

- Electronic Data Interface (EDI) X-12
 - For questions or more information about EDI technology, email integration_services@mgic.com
- MGIC/Link Servicing — Select *File a Claim* in the main menu
- Submit [Claim](#) form via:

- Secure File Transfer (SFT) — Select *Claims Query*
- Secure email to claimsquery@mgic.com
- Fax 1-800-353-8781

12.03: Core Claim Documents

Servicing File (Required on All Claims)

Provide all Servicing File documents from activity beginning on the date of Default through the Claim filing date (unless otherwise noted below) when you file the initial Claim. Servicing File documentation includes the following:

- Loan payment history from origination date to Claim filing date, including running principal, escrow and suspense balances
- Servicing system notes, including servicing, collection, loss mitigation, bankruptcy, legal and foreclosure activity
- ARM interest rate index, respective principal and interest payment changes, and effective date(s)
- Terms of any completed Workouts including including forbearance agreements, repayment plans, deeds in lieu and loan modifications, short sales and payment deferrals
- Bankruptcy information including bankruptcy type, filing date, motion for relief filing date and date motion granted
- A chronology of events demonstrating efforts pertaining to collection, foreclosure, loss mitigation, bankruptcy, loan repurchase or indemnification demands and other legal activities, as applicable
- For GSE pool or second layer coverage, primary Claim form and Explanation of Benefits statement as applicable
- All communications to and from the Borrower
- Completed Property valuations obtained as part of the foreclosure process
- Foreclosure bidding instructions and proof of proceeds (in the event of an outbid)

Title Transfer Documentation (Required on All Claims)

Provide documentation demonstrating evidence of title transfer when you file the initial Claim. Based on the type of title transfer, documentation includes the following:

Type of Title Transfer	Documentation
Foreclosure	<ul style="list-style-type: none"> • Foreclosure deed • Sheriff's expense breakdown, if applicable • Value (BPO, appraisal or other MGIC-approved value) determined no more than 120 days prior to foreclosure sale

Type of Title Transfer	Documentation
Deed in Lieu of Foreclosure	<ul style="list-style-type: none"> • Deed transferring title • Deed in lieu approval letter • Value (BPO, appraisal or other MGIC-approved value) determined no more than 120 days prior to approval • Additional documentation required for non-GSE delegated deeds in lieu only: • Terms of the promissory note or cash contribution, if they are not provided in the deed in lieu approval letter • Promissory note, if applicable
Third-Party Sale (Outbid/Redemption Proceeds)	<ul style="list-style-type: none"> • Evidence of third party or redemption proceeds with itemization of funds • Bidding instructions with opening and final bid • Value (BPO, appraisal or other MGIC-approved value) determined no more than 120 days prior to foreclosure sale
Third-Party Sale (Borrower Short Sale)	<ul style="list-style-type: none"> • Sale approval letter • Final HUD-1 Settlement Statement or Closing Disclosure • Interior value (BPO, appraisal or other MGIC-approved value) determined no more than 120 days prior to approval • Additional documentation required for non-GSE delegated sales only: • Terms of the promissory note or cash contribution, if they are not provided in the sale approval letter • Promissory note, if applicable
Third-Party Sale (REO)	<ul style="list-style-type: none"> • If not previously provided for REO sale (13): • Required documentation for offer approval, including interior value, cost of any repairs made and sale terms • Final HUD-1 Settlement Statement

Loan Origination and Closing File (Required Only if Requested)

You may be asked to provide applicable Loan Origination and Closing File documents. These documents can include, but are not limited to:

- 1003/65 Original Loan Application
- 1008/1077 Uniform Underwriting and Transmittal Summary
- Final AUS Findings/Feedback Report
- Appraisal and other Property valuation information, including all addenda, attachments, schedules, photographs and other information included by the appraiser
- Credit report and all other credit documentation
- Other credit and liabilities, such as child support documentation and divorce decree/separation information
- Bankruptcy evidence of discharge/completion date
- Evidence of debt satisfaction
- Income and employment verification for all Borrowers, such as Verification of Employment (VOE), W-2s/IRS Wage and Income Transcripts, pay stubs, tax returns with all schedules, tax transcripts, evidence of receipt of rental income and lease agreements, and child support documentation
- Asset verification for all Borrowers, such as Verification of Deposit (VOD); bank, retirement, money market and other account statements verified for assets to close and meet reserve requirements; source of funds letter; proof of sale of previous residence (HUD-1 Settlement Statement or Closing Disclosure); and gift letter
- Sales contract or equivalent with all addenda
- Letter of explanation from Borrower or lender
- Final HUD-1 Settlement Statement or Closing Disclosure
- Mortgage/Deed of Trust
- Note and riders
- Title insurance commitment
- Homeowners insurance declaration page

Submission Options

Submit required documents via:

- MGIC/Link Servicing — Select *Upload Claim Documents*
- Secure File Transfer (SFT) — Select *Claims Documents*
- Secure email to claims_documents@mgic.com

12.04: Claim Perfection

Claim perfection occurs when we have received all required information and documentation and gained Property access if requested. Claim perfection timeline requirements depend on the applicable Master Policy.

We generally provide notifications as follows:

- Within 20 days of filing your Claim, we will notify you of additional Claim requirements including any documentation we have not received
- If after 30 days from our initial notification we do not receive the required documentation or the documentation is insufficient, we will provide a follow-up notification listing any outstanding items
- If after 30 days from our second notification we do not receive the required documentation or the documentation is insufficient, we will provide a final notification
- If the required documentation is not provided by the time frame indicated in the applicable Master Policy, we may deny the Claim

Property Access

We will notify you if we require Property access. If we have not obtained access by the time of Claim settlement, the Insurance Benefit may be reduced.

12.05: Claim Calculation and Curtailment Methodology

The Insurance Benefit is based on the Claim Amount. This section includes a list of the types of items that may be covered on a Claim, as well as types of items that will not be covered. The items that can be included on a Claim include the unpaid principal balance, accrued and unpaid interest at the applicable note rate and Advances associated with servicing the loan after the Default resulting in the Claim. Generally, interest and Advances are includable in the Claim Amount for the period of time from the date of Default through the date that the Claim is filed.

There are 3 types of alterations to a Claim that could result in a revised Insurance Benefit:

- **Adjustment** of amounts claimed for expenses not covered under the Master Policy ([12.05.03](#))
- **Correction** of an amount claimed (either an addition or reduction)
- **Curtailment** of interest and related Advances ([12.05.01](#))

12.05.01: Curtailment of Interest and Related Advances

On every Claim where the number of days claimed exceeds the foreclosure state time frame ([11.05](#)), we perform an assessment of the Servicer's compliance with the terms of the Master Policy when determining the period of time for which interest and Advances will be covered on a Claim. Noncompliance with provisions of the Master Policy, including post-origination obligations, may result in a reduction of the Claim Amount or Insurance Benefit. Such a reduction is referred to as a curtailment.

Calculation of Curtailment Periods

The curtailment period either begins on the date that we determine a post-origination obligation should have commenced and ends on the date the post-origination obligation was actually commenced, or begins on the date that a post-origination obligation should have been completed and ends on the date the post-origination obligation was actually completed. Additional time may be curtailed due to periods of inactivity with no explanation.

Application of Curtailment Periods and Revised Claim Date

The total number of days for the curtailment period(s) is deducted from the actual Claim filing date, resulting in what we refer to on the explanation of benefits (EOB) as the “Revised Claim Date” (RCD). Generally, the curtailment amount will be the sum of (1) any Advances incurred after the RCD, and (2) unpaid interest accrued after the RCD.

For loans insured under [Master Policy 71-43342 \(10/14\)](#) and [Master Policy 71-70384 \(03/20\)](#), we will not cover more than 36 months of unpaid accumulated interest and Advances.

12.05.02: Post-Origination Obligations - Covered and Non-Covered Events

The following are examples of some of the most common post-origination obligations and events generally covered and not covered on a Claim.

Post-Origination Obligations

- Timely commencement and completion of Appropriate Proceedings ([11.01](#), [11.05](#))
- Diligent pursuit of a Borrower Workout
- Diligent pursuit of relief of stay or dismissal from a Borrower bankruptcy ([11.02](#))
- Preservation of our Deficiency Rights ([11.03](#))
- Compliant Foreclosure Bidding ([11.04](#))

Covered Events

The following are some examples of events that, if diligently pursued, are generally covered on a Claim to the extent they are outside of the Servicer’s control.

- Bankruptcy
- Government, GSE or judicially imposed suspensions that are not the result of servicing practices
- State-imposed mediation
- Contested or litigated foreclosure where the Servicer prevails
- Probate
- Military indulgence

Non-Covered Events

The following are some examples of events and servicing delays that are generally not covered on a Claim.

- Government, GSE or judicially imposed suspensions (e.g., AG and DOJ actions) that are the result of servicing practices
- Attorney substitutions (including when directed by the GSE)
- Lost or missing documents or document corrections
- Title defects causing delays
- Servicing transfers that cause delays in fulfillment of servicing obligations
- Delays within the control of the Servicer in starting, resuming or pursuing foreclosure obligations ([11.01](#), [11.02](#), [11.05](#))
- Noncompliant foreclosure bidding or preserving deficiency ([11.04](#), [11.03](#))

- Physical damage to the Property causing delays

We will assess the Servicer's diligence during such events when determining the number of days for which interest and Advances may be covered or curtailed on a Claim. Note: Submit a chronology of events from the date of Default through the Claim filing date demonstrating efforts pertaining to collection, foreclosure, loss mitigation, bankruptcy, loan repurchase or indemnification demands and other legal activities, as applicable ([12.03](#)).

12.05.03: Advances and Expenses

Covered Advances

The following are examples of Advances generally covered on a Claim, provided the Advances are incurred prior to the revised claim date.

- Reasonable and customary property insurance premiums
- Taxes, assessments and other public charges imposed upon the Property
- Condominium fees and homeowner association dues to the extent necessary to preserve the lien priority of the mortgage
- Customary court costs and expenses associated with Appropriate Proceedings
- Reasonable attorney fees:
 - Not in excess of 3% of the unpaid principal and interest due on the loan when the Claim is submitted for a loan with an unpaid principal balance (UPB) plus interest that is \$200,000 or greater, or
 - The lesser of \$6,000 and 5% of the UPB and interest due on the loan when the Claim is submitted for a loan with a UPB plus interest that is less than \$200,000
- Property valuations, including:
 - Appraisals
 - BPOs (interior and exterior)
 - Valuations completed for loan Workouts
- Reasonable and customary expenses necessary for preservation of the Property, including:
 - Boarding, including windows and doors
 - Capping utility lines for electric, gas, water and sewer
 - Debris or trash removal
 - Pool cleaning, draining and securing, including hot tubs and spas
 - Property cleaning
 - Property inspections (interior and exterior)
 - Property securing, including doors, locks, re-keying, roof tarping and window locks
 - Smoke detectors
 - Utilities, including transfer and setup
 - Winterization and de-winterization

- Yard maintenance, including cutting grass, removing snow, trimming shrubs and trees, and spraying weeds

Non-Covered Expenses

Certain expenses should not be included on a Claim because they are not covered Advances under the Master Policy. The following are examples of some of the most common expenses not covered by the Master Policy.

- Attorney fees incurred for work outside of the standard foreclosure proceedings such as attorney transfers, “robo-signing” issues and title issues and defects
- Expenses for assignment of mortgage
- Expenses associated with Physical Damage to the Property
- Homeowner Association assessments that are extinguished by the foreclosure
- Incentive fees
- Mortgage insurance premiums
- Tax penalties and interest
- Unpaid servicing fees, such as late charges, NSF fees and payoff fees

12.05.04: Claim Reduction for Property Condition

In establishing the cost to restore a Property to its condition on the commitment date, we may either obtain a complete repair estimate from an independent third party of our choosing or rely on repair estimates as provided by the Servicer or Beneficiary. However, all such estimates are based on a review of both the interior and exterior of the Property. If we rely on a repair estimate not provided by the Servicer or Beneficiary, a copy of this estimate will be made available upon request.

12.06: Claim Settlement

The Insurance Benefit is payable to you, or to Fannie Mae or Freddie Mac if either is the Beneficiary and has elected to receive the Insurance Benefit.

The Insurance Benefit in settlement of the Claim will be one of the following:

Percentage Option

The Insurance Benefit is the Claim Amount, multiplied by the percentage of coverage.

Third-Party Sale Option

The Insurance Benefit is the Claim Amount less Net Proceeds, resulting in an Insurance Benefit less than the Percentage Option.

Acquisition Option

The Insurance Benefit is the Claim Amount.

Anticipated Loss Option

The Insurance Benefit is the Claim Amount less the Estimated Net Proceeds, assuming the Property is in the same condition as it was on the Commitment date (Reasonable Wear and Tear excepted). For loans insured

under policies [#71-43342 \(10/14\)](#) and [#71-70384 \(03/20\)](#), this option is automatically applied when one or more of the conditions listed below exists. For loans insured under prior Master Policies, we may contact you or the investor to offer an anticipated loss option settlement amount if one or more of the conditions below apply:

- We are not granted Property access, or
- We do not receive good and marketable title that all filed liens have been released or satisfied and title search results, including the bring-down title search through the anticipated date of recording the deed , or
- We are unable to assess estimated restoration costs related to the Physical Damage or nonresidential Property exclusions, or
- When an approved Third-Party Sale does not close within 210 days of Claim filing (applies only to loan insured under policy [#71-70384 \(03/20\)](#))

Explanation of Benefits (EOB)

Your explanation of benefits (EOB) statement includes an explanation of any Insurance Benefit paid and any adjustments to the Claim Amount.

Regardless of how you file a Claim, access its EOB via MGIC/Link Servicing ([16.01](#)). If you use Electronic Funds Transfer (EFT), you can view and print the EOB from the MGIC/Link Servicing Reports menu.

12.07: Supplemental Claim

Guidelines for Claims on loans insured under Master Policy 71-70384 (03/20)

You may file a supplemental Claim to request additional allowable Advances that were not included in the initial Claim. You must have incurred the allowable Advances prior to the date the initial Claim was submitted, and paid them prior to filing the supplemental Claim.

We must receive supporting documentation for all additional expenses pertaining to your filed supplemental Claim, such as invoices reflecting the expense(s).

For consideration, we must receive your supplemental Claim for all allowable Advances, other than the exception noted below, no later than 90 days after the date of the EOB for the initial Claim.

Exception: We will accept a one-time supplemental Claim beyond the 90-day time frame for trailing fees and costs associated with recording the foreclosure deed when a statutory redemption, confirmation or ratification period delays the recording of the foreclosure deed beyond the standard 90-day time frame.

The following criteria applies:

- For consideration, we must receive your trailing supplemental Claim within 30 days of the final invoice for recording
- Include invoices supporting the recording fees and costs
- Attorney fees remain subject to policy limitations ([9.04](#))

Guidelines for Claims on loans insured under all other policies

You may file a supplemental Claim to request additional allowable Advances that were not included in the initial Claim. You must have incurred the allowable Advances prior to the date the initial Claim was submitted, and paid them prior to filing the supplemental Claim.

We must receive supporting documentation for all additional expenses pertaining to your filed supplemental Claim, such as invoices reflecting the expense(s). For consideration, we must receive your supplemental Claim for all allowable Advances, other than the exception noted below, no later than 90 days after the date of the EOB for the initial Claim.

12.07.01: File a Supplemental Claim

Submission Options

- MGIC/Link Servicing — Select *File a Claim*
- Submit Claim form via:
 - Secure File Transfer (SFT) — Select *Claims Query*
 - Secure email to claimsquery@mgic.com

12.07.02: Submit Supplemental Claim Supporting Documentation

Submission Options

Provide any documentation that supports your filed supplemental Claim via:

- MGIC's Secure File Transfer (SFT) — Select *Claims Query*
- Secure email to claimsquery@mgic.com

Section 13: Real Estate Owned Property Sale and Election Of Acquisition Option

Once you complete foreclosure, diligent efforts to market REO properties should continue through Claim resolution.

13.01: Property Sale – Primary Coverage

Guidelines

After you complete foreclosure, list the Property for sale as soon as possible and continue to market it through Claim resolution. Our approval is not required on the listing. All offers acceptable by the Beneficiary require our approval until the Claim is resolved.

We will provide a response within 10 business days of receiving your request indicating if we approve the offer and if the offer will result in our election of the Third-Party Sale Option ([12.06](#)).

If the sale terms change and we indicated we will elect the Third-Party Sale Option ([12.06](#)), submit the revisions for our approval.

After closing, submit the Final HUD-1 Settlement Statement regardless of Claim filing status.

Information Required

- Value estimate provided after an interior inspection (BPO, appraisal or other MGIC- approved value), no more than 120 days old
- Itemized costs of any repairs made
- Sale terms including offer amount, closing date, estimated closing costs for buyer and seller, and any other miscellaneous terms of sale

Submission

Submit required information via secure email to reo_marketing@mgic.com.

13.02: Election of Acquisition Option for Primary Coverage

If we elect the Acquisition Option ([12.06](#)), we will notify you of our initial decision and the need to submit required documentation.

Required documentation may typically include the following:

- A recordable warranty deed (e.g., Grant Deed for California Property, Covenant Deed for Michigan Property) containing the normal and customary warranties and covenants in the usual and customary form (Quit Claim Deeds are not an acceptable form of conveyance)
- All appropriate state and county transfer forms (executed, if required)
- Evidence of good and marketable title as referenced in the appropriate Master Policy that all filed liens have been released or satisfied and title search results, including the bring-down title search through the anticipated date of recording the deed
- Evidence that all Property taxes are paid current as of the Insurance Benefit payment date

- If the Property is subject to a homeowners association/condo assessment, a written statement from the association showing that:
 - All dues, assessments, penalties and interest are paid current, and
 - All filed liens have been released or satisfied

Submission

Submit required documentation via secure email to reo_marketing@mgic.com.

13.03: Property Sale – Pool or Second Layer Coverage

Guidelines

We oversee the marketing activity of all REO properties with pool or second layer coverage. Our approval is required throughout this process.

Property Listing Approval

Submit the following for listing approval within 60 days after the title transfers through foreclosure or deed in lieu:

- 2 value estimates after an interior inspection (BPO, appraisal, or other MGIC-approved value), one obtained from the listing agent and one from an independent source
 - For your convenience, you may obtain the second value estimate from MGIC; [email reo_marketing@mgic.com](mailto:reo_marketing@mgic.com) for more information
 - Value estimates should include color photos and full repair addenda with brokers' itemized estimates of all repairs
- List price for marketing of the Property as-is or in a repaired state
- Itemized general contractor's bid for all repairs needed; provide a second bid for any repairs totaling more than \$10,000
- Appraisal from the loan Origination File
- Contact name and phone number for an individual with access to the Property
- Eviction proceedings start and end date, tenant or Borrower occupancy, and any other eviction information if applicable

Upon review, we will respond with listing instructions, including a strategy for marketing the Property in as-is or repaired condition.

Documentation Required During the Listing Period if the Property is not Under a Sales Contract

- Provide the status of marketing activity and any recommendations on marketing strategy and listing price adjustments every 30 days
- Provide a value estimate after an interior inspection (BPO, appraisal or other MGIC- approved value) every 90 days

Upon review of the documentation, we will contact you regarding any listing approval changes.

Property Offer Approval

Property offers acceptable by the Beneficiary must be submitted for our approval.

Submit the sale terms including the offer amount, estimated closing date, estimated closing costs for buyer and seller including buyer closing costs being paid as a concession, estimated Net Proceeds, and any other miscellaneous terms of the sale.

We will provide a response within 10 business days of receiving your request indicating if we approve the offer.

If the sale terms change or the closing date is extended by more than 15 business days, submit these revisions for our approval.

After closing, submit the Final HUD-1 settlement statement regardless of Claim filing status.

Submission

Submit required documentation via secure email to reo_marketing@mgic.com.

Section 14: Credible Evidence

Examples of Credible Evidence may include the following:

- Automated database sources
- Bank statement/gift letter reverification form/verification of deposit
- Bank statement reverification form
- Bankruptcy documents
- Borrower sworn statements or other Borrower statements with corroborating evidence
- Collection notes and/or hardship letter
- Copy of earnest money and down payment checks
- Documentation from the Origination File and Closing File
- Employer interview
- Gift donor, seller, real estate agent or settlement agent interview
- Motor vehicle registration, hunting license or voter registration (primary residence only)
- Neighbor(s) interview
- Police report
- Publicly available information such as courthouse records, internet articles and database searches
- Relative/roommate interview
- Review appraisal
- Subject Property tax bill (primary residence only)
- Tax return and/or W-2s/IRS Wage and Income Transcripts including transcripts obtained with a 4506-T
- Undisclosed installment debt: credit bureau
- Undisclosed mortgage: transaction history or mortgage and updated credit bureau
- Verification of employment and/or income reverification form
- Verification of rent (if the Borrower rented)

Section 15: Appeals

For consideration, we must receive your appeal no later than 90 days after the date of the explanation of benefits (EOB) statement for the initial Claim, rescission notice, cancellation notice or claim denial notice.

Your submitted appeal should detail the appeal reason and include supporting documentation.

We will review your appeal and supporting documentation and respond no later than 90 days from the date we receive it.

Submission

Appeals for a reduction of the Insurance Benefit:

- Submit [Appeal of a Reduction of the Insurance Benefit](#) form or send required information via secure email to claimsquery@mgic.com. (For information required, see next section.)

Appeals for rescission notice, cancellation notice or claim denial notice:

- Submit [Appeal of Rescission, Cancellation or claim denial notice](#) form or send required information via secure email to appeals@mgic.com. (For information required, see next section.)

Information Required

In lieu of an appeal form, provide the following information via secure email to claimsquery@mgic.com:

- MGIC Certificate number
- Borrower's name
- Servicer's name
- Specific reason for your appeal
- Requestor's name and contact information
- Explanation and supporting documentation not previously provided ([12.03](#))

Section 16: Exhibits

16.01: Claim Form

File a Claim using MGIC/Link Servicing's secure, web-based form. If you're unable to use MGIC/Link Servicing, complete the editable PDF version of the [Claim](#) form.

16.02: Claim Settlement Examples

The following illustrates examples of the 4 possible settlement options ([12.06](#)) using a Claim Amount of \$200,000 , a Property Value of \$180,000 and 30% coverage.

Settlement Options	Insurance Benefit Calculations	Example
Percentage Option	Claim Amount multiplied by percentage of coverage	\$200,000 Claim Amount × 30% = \$60,000 Insurance Benefit
Third-Party Sale Option	Claim Amount less Net Proceeds resulting in an Insurance Benefit less than the Percentage Option	\$200,000 Claim Amount - \$160,000 Net Proceeds = \$40,000 Insurance Benefit
Acquisition Option	Claim Amount	\$200,000 Insurance Benefit
Anticipated Loss Option	Claim Amount less Estimated Net Proceeds (85% of the Property Value, assuming the Property is in the same condition as it was on the Commitment date)	\$200,000 Claim Amount - \$153,000 Estimated Net Proceeds = \$47,000 Insurance Benefit