

Radian Guaranty Inc.'s 2020 Master Policy Frequently Asked Questions (FAQs)

February 28, 2020

Radian Guaranty Inc. will implement a new Master Policy, RAF700 (3/20) (“2020 Master Policy”), which has been approved by Fannie Mae and Freddie Mac, all 50 states, and the District of Columbia, for MI applications submitted on or after March 1, 2020. The 2020 [Master Policy](#), state-specific endorsements, and [Origination & Servicing Guide](#) are posted on Radian’s [website](#).

General Overview

Q1: Is there anything I need to do related to Radian’s implementation of the 2020 Master Policy?

A: No, on March 1, 2020, Radian will automatically switch our existing policyholders over to the 2020 Radian Master Policy form for new MI applications. No action is necessary on your part if you are an existing policyholder. For lenders that are not existing policyholders, please submit the [Master Policy, Delegated Authority, and Early Validation Confident Coverage application](#).

Q2: How do I obtain a copy of my personalized Radian 2020 Master Policy?

A: Radian distributed a personalized copy of the 2020 Master Policy to an identified contact within your organization. To request an additional copy, please email our [Customer Care department](#).

Q3: As per Fannie Mae’s and Freddie Mac’s corresponding announcements, will the 2020 Master Policy form numbers align with the Approved Insurer form numbers as listed on their websites?

A: Yes, Radian worked with Fannie Mae and Freddie Mac to gain approval of the new forms.

- Fannie Mae Lender Letter [2019-08](#) and Fannie Mae Approved Mortgage Insurance [Forms](#)
- Freddie Mac Bulletin [2019-24](#) and Freddie Mac [Exhibit 10](#)

Q4: Will there be a Delegated Underwriting Endorsement?

A: No, the terms of the Delegated Underwriting Endorsement will be incorporated into the 2020 Master Policy, the Delegated Underwriting Program Guide contained in our Origination & Servicing Guide, and our Underwriting Guidelines. Customers approved for delegated underwriting authority will receive a notification confirming their ability to send delegated submissions to Radian, which will include the Customer’s name, effective date and Master Policy number.

Q5: What happens to the MI applications under the Master Policy RAF 483 12/13 (“[2014 Radian Master Policy](#)”)?

A: MI applications submitted between October 1, 2014 and February 29, 2020 will be administered under the 2014 Master Policy. Any MI application submitted after February 29, 2020, will be administered under the 2020 Master Policy.

General Overview

Q6: Will there be a separate Origination & Servicing Guide for the 2020 Radian Master Policy?

A: No, there is one Origination & Servicing Guide, effective March 1, 2020, supporting both our 2014 and 2020 Radian Master Policies. Within the updated Origination & Servicing Guide, certain differences between the two Master Policies are notated and, where applicable, references to the corresponding sections within each Master Policy have been added. Highlights of the differences between the 2014 and 2020 Radian Master Policies can be found [here](#).

Q7: Will Radian continue to offer 36-month rescission relief?

A: Yes, the 36-month rescission relief will remain the same as structured under the 2014 Master Policy. Loans that are no more than 2x30 and 0x60 in the first 36 months receive 36-month rescission relief. In addition, Radian will offer 60-month rescission relief for loans which were not eligible to receive 36-month rescission relief. Under the new 60-month rescission relief, if the loan is current at month 60 or cures in a subsequent month, it will qualify for rescission relief at that time. All payments due on the loan must have been made with the Borrower's Own Funds to qualify for both 36 and 60-month rescission relief.

Q8: Are there scenarios, including but not limited to underwriting defect reasons, where rescission relief is not permitted?

A: Yes, there are life-of-loan exclusions to rescission relief in the 2020 Master Policy per Fannie Mae's and Freddie Mac's Amended and Restated Rescission Relief Principles. Please refer to the 2020 Master Policy Sections 16(e) and 18-40.

Confident Coverage®

Q1: What are the changes to Confident Coverage under the 2020 Master Policy?

A: The following changes are outlined in our [Origination & Servicing Guide](#):

- **Early Validation Confident Coverage** rescission relief option will become effective **immediately** upon our completion of a successful audit of the Origination and Closing Files. Under the 2014 Master Policy, there was an additional requirement that the first 12 payments were timely (0x30 in 12 months).
- **12-month Confident Coverage** rescission relief with a "Closing Document Exception" is available to non-delegated Customers, which means that Customers will obtain 12-month rescission relief on approved non-delegated MI applications without having to submit the Closing File to Radian.
- Additional information may be found in the Confident Coverage table [below](#) as well as the following sections of the [Origination & Servicing Guide](#):
 - Section 6: "Confident Coverage"
 - Section 3.8: "Submit a Loan for Early Validation Confident Coverage"
 - Appendix D: "Document requirements"

Q2: If I want 12-month Confident Coverage, but do not currently have it, do I need to "opt-in"?

A: No, your approved non-delegated MI application will be eligible to receive 12-month Confident Coverage rescission relief without opting in.

Confident Coverage®

Q3: If I want Early Validation Confident Coverage, but do not currently have it under the 2014 Master Policy, do I need to “opt-in”?

A: Yes, you will need to submit the [Master Policy, Delegated Authority and Early Validation Confident Coverage application](#), as per Section 3.2 of the [Origination & Servicing Guide](#), “Become a Radian customer”, to opt-in to Early Validation Confident Coverage.

Q4: Does the Closing Document Exception apply to contract underwritten loans?

A: No, it is applicable to non-delegated MI loans only.

Q5: Does anything change in the Quality Control process?

A: No, there are no changes to our Quality Control process. Please refer to the Confident Coverage table [below](#) for additional information.

Commitment/Certificate of Insurance

Q1: Will there be changes to our Commitment/Certificate of Insurance?

A: Yes, there will be a new Commitment/Certificate of Insurance, RAF701, that will apply to new MI applications submitted on or after March 1, 2020. New MI applications, and any resubmissions, submitted prior to March 1, 2020 will continue to receive the current Commitment/Certificate of Insurance, RAF485.

December 2022 update: Radian obtains approval from Fannie Mae and Freddie Mac for our Master Policy and related forms. Fannie Mae publishes approved MI forms on their website [here](#). In September of 2021, Radian updated its Commitment/Certificate of Insurance to reflect the address change when our corporate headquarters moved from Philadelphia to Wayne, PA, and we received formal approval from both Fannie Mae and Freddie Mac for the revisions to our form. When Radian implemented the new form in our system, we used the correct form and form number, but we did not update the version date. Therefore, the Commitment/Certificate of Insurance for the time period of 9/11/2021-12/10/2022, was published as RAF701 3/20 instead of RAF701 Ed. 9/21. We have worked with both Fannie Mae and Freddie Mac to confirm that our lenders do not need to take any action to update the version date for Commitments/Certificates of Insurance issued during this time period. Fannie Mae and Freddie Mac have recorded both version dates, RAF701 3/20 and RAF701 Ed. 9/21. Beginning on 12/11/2022, our Commitment/ Certificate of Insurance correctly reflects the following form number and version date, RAF701 Ed. 9/21.

Q2: Can the new Commitment/Certificate of Insurance format be issued on MI applications originated under prior Master Policies?

A: No, the Commitment/Certificate of Insurance is only approved for MI applications submitted under the 2020 Master Policy.

Q3: Will there be different Commitment/Certificates of Insurance for Confident Coverage Certified loans?

A: No, there will be one Commitment/Certificate of Insurance, but special conditions will indicate the following:

- 1) Confident Coverage - The referenced loan insured under this certificate of coverage has been independently reviewed by Radian and is certified for Confident Coverage subject to the terms and conditions set forth in the Master Policy (issued when document requirements are met as per the Confident Coverage table **below**).
 - 2) Confident Coverage - The referenced loan is certified for 12-Month Confident Coverage subject to the terms and conditions set forth in the Master Policy (issued upon loan approval with Closing Document Exception).
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Questions?

Contact Radian Customer Care: 877.RADIAN1 (723.4261) | customercare@radian.com

2020 Master Policy Confident Coverage®		
Option	12-month Confident Coverage	Early Validation Confident Coverage
General description	Rescission relief available after 12 months subject to our validation of the Origination File without submission of the Closing File	Rescission relief available after our validation of the Origination and Closing Files
Submission method	Non-delegated MI only	Non-delegated MI and Delegated MI
Payment history	First 12 months' timely payments from Borrower's Own Funds	N/A
Opt-in	Customers do not need to opt-in	Customers must opt-in to the program
Document Requirements	Origination File	Origination and Closing Files
Submission timing	Standard non-delegated pre-closing	Within 180 days of loan closing
Radian review	Origination File to ensure compliance with Radian's MI eligibility and underwriting guidelines	Origination and Closing Files to ensure compliance with Radian's MI eligibility and underwriting guidelines, and that the loan closed appropriately
Review decision	Standard non-delegated underwriting timing	Within 60 days of receiving the complete Origination and Closing Files
Confident Coverage Certified	Commitment/Certificate of Insurance will display 12-month Confident Coverage	Commitment/Certificate of Insurance will display Confident Coverage Certified

2020 Master Policy Change Highlights

Topic	2020 Master Policy Sections	2014 Master Policy Sections	Changes	Origination & Servicing Guide Sections
Delegated vs. non-delegated underwriting	9 12(a)(ii) 14(d) 15	Delegated Underwriting Endorsement RAF484 12/13	Delegated underwriting submission requirements have been incorporated into the Master Policy, the Delegated Underwriting Program Guide, and our Underwriting Guidelines.	<ul style="list-style-type: none"> Section 3.5, B: Delegated: Submit an MI Application under the Delegated Program Guide requirements Section 4.2: Delegated Program Guide
Rescission Relief	17	4.3	Updates to address Fannie Mae's and Freddie Mac's Amended and Restated Rescission Relief Principles	<ul style="list-style-type: none"> Section 3.8: Submit a Loan for Early Validation Confident Coverage Section 6: Confident Coverage®
Required Reporting and Notifications	23 47	4.1(a) 4.1(h) 5 5.1 16.2	Required to self-report Significant Defects, Single Loan Fraud, pattern activity, or repurchase demands or requests	<ul style="list-style-type: none"> Section 3.12, D. Submit Monthly Report of Significant Defects, Single Loan Fraud or Pattern Activity Section 11.5: Monthly Report of Significant Defects, Single Loan Fraud or Pattern Activity Appendix A: Forms (Monthly Report of Significant Defects, Single Loan Fraud or Pattern Activity Form)
Incomplete Construction	Definitions (Incomplete Construction) 27 78	4.1(k)	Revised provision expanding opportunities to provide MI against Borrower credit-related events for construction loans by defining the scope of the related exclusion to incomplete construction if it is the principal cause of default.	<ul style="list-style-type: none"> Section 18: The Claim liability calculation
Physical Damage	Definitions (Physical Damage; Reasonable Wear and Tear) 31 32 77	4.1(p)(i-iii)	New timing provisions pertaining to the servicer's intent to restore property if physical damage is the principal cause of default	

Radian Guaranty Inc.'s 2020 Master Policy

Frequently Asked Questions (FAQs)

Core Claim Documents	Definitions (Core Claim Documents) 62 66 67	Definitions (Good and Marketable Title) 7.1 8.1 9.2(a-g)	Newly defined term listing the minimum documents that must be included as part of a claim submission	<ul style="list-style-type: none">Appendix D: Document requirements
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