

Interim Servicing Guidance

This Interim Servicing Guidance supplements our Origination & Servicing Guide requirements with respect to COVID-19. Fannie Mae and/or Freddie Mac may announce new or updated servicing guidance related to COVID-19, and Radian's response and guidelines related to relevant announcements will be noted in this Interim Servicing Guidance and posted on our [website](#).

Activation	<p>Radian will activate mortgage insurance (MI) commitments and provide MI certificates for Loans where Borrowers have requested or entered into a COVID-19 related forbearance plan after the Loan closing date, but prior to the first mortgage payment. All underwriting and closing requirements apply, including compliance with applicable laws and underwriting guidelines, and satisfaction of closing conditions. The Borrower must be employed at the time of Loan closing. For more information on the GSE selling requirements, refer to Fannie Mae or Freddie Mac websites, as applicable.</p> <p>Specific to construction-to-permanent transactions, the Loan closing date is considered to be the transition or "rollover" date to permanent financing. Radian will activate MI commitments and provide MI certificates for Loans where Borrowers have requested or entered a forbearance plan, after the closing date of the permanent financing but prior to the first mortgage payment.</p>	
HPA Cancellation	<p>COVID-19 forbearance or loss mitigation workouts may impact the MI termination date required under the Homeowners Protection Act (HPA). Prior to instructing Radian to cancel coverage, the Servicer is responsible for verifying any MI termination requirements specific to COVID-19 related workouts.</p>	
Reporting	Monthly Default Reporting	<p>Servicers are required to continue their monthly default reporting, including payments missed under a COVID-19 related Workout such as a forbearance plan. Radian offers two submission methods for reporting: Automated Default Report (ADR) and Manual Default Report (MDR).</p> <p>When reporting defaults for Loans affected by COVID-19, Radian requests Servicers use the following delinquency codes based on their selected reporting method:</p> <ul style="list-style-type: none"> • If reporting via the ADR, use Delinquency Reason Code 12 – Environment/Energy Costs • If reporting via the MDR, use Delinquency Reason Code 12 – COVID Hardship
	Mortgage Insurance Loan Activity Report (MILAR)	<p>When submitting monthly servicing reports:</p> <ul style="list-style-type: none"> • Loans in a forbearance plan should be reported using a Workout Type code 1 – Standard Forbearance and Workout Program Name code 43 – National Emergency Forbearance Plan. • Loans in a payment deferral should be reported using Workout Type code 8 – Payment Deferral and Workout Program Name code 44 – Deferred Payment Plan. <p>If unable to implement the new codes, Servicers may use Workout Program Names Code 10 – Other Delinquent to report a national emergency forbearance plan or Code 11 – Other – Performing with a Workout to report deferred payment program. We encourage Servicers, to use MILAR, to report forbearance and loss mitigation Workouts. If you are unable to submit a complete MILAR, please complete the Workout Reporting Template and submit to servicingreport@radian.com by the 25th day of each month.</p>
	Payment Deferral Reporting	<p>For Loans with payment deferral plans, include the interest bearing unpaid principal balance and the non-interest bearing deferred balance in the Current Principal Balance field when submitting monthly Premium remittance files, Default Reports and MILAR. The deferred balance includes the deferred principal, interest, escrow advances (if applicable) and fees (if applicable). If you are unable to submit a complete MILAR-169, or are using either the MILAR-32 or the Workout Reporting Template, please complete the Payment Deferral Template and submit to servicingreport@radian.com by the 25th day of each month.</p>
	<p>For more information on monthly default reporting, MILAR, Premium remittance, and Loan modification reporting, please see the Origination & Servicing Guide, Sections 3.7, 3.10, 3.12, 8 and 11 as well as Servicer Alerts 2020-3 and 2020-5.</p>	
Rescission Relief	<p>When assessing the rescission relief payment history requirements, for Loans that enter into a COVID-19 forbearance plan on or after March 1, 2020 through December 31, 2021, missed payments during forbearance are not counted towards or against the payment history test, and payments that were due during the forbearance plan, are excluded from consideration if the forbearance plan resulted in the Loan being brought current through a reinstatement, repayment plan, deferment, or Loan modification. This treatment means that the Loan can still qualify for rescission relief when all other payments outside of the COVID-19 related forbearance period meet the monthly payment requirements and the Loan was brought current through a loss mitigation strategy. This temporary flexibility for rescission relief eligibility is specific to the payment history requirements and does not amend or adjust other rescission relief requirements outlined in Radian's Master Policy or Origination & Servicing Guide.</p>	
	GSE Temporary Flexibilities	<p>Loans underwritten and closed in compliance with the GSE-announced temporary flexibilities, related to COVID-19, will be eligible for Confident Coverage[®] as long as they meet all Confident Coverage requirements.</p>
	12-month Confident Coverage	<p>If the Borrower misses payments while under a COVID-19 forbearance plan, but the Loan is brought current through a reinstatement, repayment plan, deferment, or Loan modification, and the Borrower resumes their payments, the Loan will be eligible for rescission relief upon completion of 12 consecutive, timely payments from the Borrower's Own Funds, without considering payments missed during the forbearance period.</p>

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Rescission Relief	12-month Confident Coverage	<p>Examples:</p> <ul style="list-style-type: none"> Borrower makes 6 consecutive, timely payments, then enters a forbearance plan for 6 months, resumes their payments, and then makes 6 consecutive, timely payments, the Loan is eligible for 12-month Confident Coverage at month 18 as the Borrower made a total of 12 timely payments. Borrower makes 6 timely payments, then enters a forbearance plan for 6 months, resumes their payments, and then makes 5 payments before becoming delinquent again, the Loan is ineligible for 12-month Confident Coverage as the Borrower only made a total of 11 timely payments.
	36-month	<p>For 36-month rescission relief, if a Borrower misses payments while under a COVID-19 forbearance plan, but the Loan is brought current through a reinstatement, repayment plan, deferment, or Loan modification, and the Borrower resumes their payments, the Loan will be eligible upon completion of 36 total timely payments from the Borrower's Own Funds. The Borrower must be no more than 2x30 and 0x60, without considering the missed payment during the forbearance period.</p> <p>Examples:</p> <ul style="list-style-type: none"> Borrower makes 12 timely payments, then enters into a forbearance plan for 6 months, resumes their payments, and then makes 24 timely payments, the Loan is eligible for 36-month rescission relief at month 42 as the Borrower made a total of 36 timely payments. Borrower makes 12 timely payments, then enters into a forbearance plan for 6 months, resumes their payments, and then makes 12 timely payments before becoming 60 days delinquent again, the Loan is ineligible for 36-month rescission relief as the Borrower only made 24 timely payments.
	Quality Control Review	<p>Radian will continue to extend Confident Coverage to Loans based on the completion of a successful Quality Control review or Independent Validation. If the specific Confident Coverage program requires a payment history test, then Loans in COVID-19 related forbearance plans must still meet the payment history requirements described above.</p>
	Payment History	<p>As part of our standard Claim submission process, Servicers are required to provide the Loan payment history to document that the Borrower has met the payment history requirements. See Origination & Servicing Guide Appendix D: Document requirements.</p>
Workouts	GSE Workout Guidelines	<p>Radian aligns with the GSE announced COVID-19 Workout programs, including COVID-19 forbearance plans, Loan modifications, and the Payment Deferral Program. For more information on the Payment Deferral Program, refer to the GSE websites:</p> <ul style="list-style-type: none"> Fannie Mae Freddie Mac
	Non-GSE Workout Guidelines	<p>Radian extends our delegation and alignment with the GSE announced forbearance programs to non-GSE Loans that follow the GSE forbearance program eligibility and guidelines. In addition, Radian will also delegate approval to our Servicers and permit a deferral of up to 18 months of principal and/or interest, as a non-interest-bearing balance, subject to the following terms:</p> <ul style="list-style-type: none"> The Loan must be no more than 30 days delinquent as of March 1, 2020. The Borrower must provide verbal or written confirmation of COVID-19 related hardship. Deferred principal and/or interest payments may be added to the end of the Loan term: <ul style="list-style-type: none"> Extending the Loan term up to the lesser of the equivalent number of deferred payments or a maximum of 18 months; or May be applied as a balloon payment payable at Loan maturity or Loan pay-off. (The Servicer may allow, but cannot require, the Borrower to make a balloon payment at the end of the forbearance plan). Workouts, including but not limited to modifications, forbearance, and deferrals, for non-GSE Loans should be reported to Radian per the Reporting section above. Any deferment that exceeds the delegated 18-month approval timeline must be submitted to Radian for approval. In the event of a Claim submission, Servicers must retain and be able to provide records documenting the Workout. <p>Any non-GSE forbearance and retention Workout programs that fall outside of the GSE guidelines or the non-GSE Workout guidelines outlined above will require Radian approval and must be submitted to our Customer Care team.</p>

All other Radian Master Policy conditions and Origination & Servicing Guidelines apply.

Defined terms used herein but not defined have the meanings assigned to them in Radian's applicable Master Policy or Origination & Servicing Guide.