[redacted]

Aggregate Excess of Loss Credit Insurance Policy
Declarations Page

Policy Number:	[redacted]
Insured Deal Number:	CIRT 2026-H2
Policy Period:	That period of time between the Effective Date and the Termination Date, as set forth immediately below.
Effective Date:	12:00 A.M. Eastern Time, September 1, 2026
Termination Date:	11:59 P.M. Eastern Time, August 31, 2044
Insured:	Federal National Mortgage Association, also known as Fannie Mae, a government-sponsored enterprise chartered by the U.S. Congress
Mailing Address:	Midtown Center 1100 15th Street, NW Washington, DC 20005
Insurer:	[redacted]
Insurance Structure:	Aggregate excess of loss credit insurance
Covered Loans:	A portfolio of fixed rate Residential mortgage loans Delivered to Insured between the following dates: July 1, 2025 and December 31, 2025, as initially identified in the Set-up File and that meet the Eligibility Criteria; Covered Loans shall include loans originally identified in the Set-up File, which were subsequently refinanced through the Insured's High Loan-to-Value Refinance Option and were subsequently acquired by the Insured prior to the Termination Date of this Policy (a "High LTV Refi"), and the Eligibility Criteria shall not apply to such High LTV Refis as they are added to the portfolio, though the High LTV Refis will conform with any guidelines or criteria applicable to the Insured's High Loan-to-Value Refinance Option. A Covered Loan shall not include any mortgage loan that has experienced any event described in the definition of the term "Removed Loan."
Total Initial Principal Balance:	$17,377,017,890.63

Number of Loans:	47,883
Initial Detachment Point:	$764,588,787.19
Initial Detachment Point Percentage:	Four and forty-hundredths percent (4.40%)
Initial Limit of Liability:	$556,064,572.50
Initial Limit of Liability Percentage:	Three and twenty-hundredths percent (3.20%)
Aggregate Retention:	$208,524,214.69
Aggregate Retention Percentage:	One and twenty-hundredths percent (1.20%)
Insurer's Deal Percentage:	One hundred percent (100%)
Insurer's Initial Limit of Liability:	$556,064,572.50
Optional Policy Cancellation:	On or after sixty (60) months after the Effective Date, the Insured may cancel this Policy by providing prior written notice to the Insurer stating the date that the cancellation shall be effective. The cancellation date in such written notice shall become the Termination Date of this Policy.
Currency:	United States of America Dollars
Monthly Premium:	The Monthly Premium due and payable under this Policy shall be a monthly premium. The initial Monthly Premium shall be calculated as the product of (i) the Monthly Premium Rate, and (ii) the Initial Limit of Liability, and (iii) the Insurer's Deal Percentage. All subsequent Monthly Premium shall be calculated as the product of (i) the Monthly Premium Rate, and (ii) the Remaining Limit of Liability effective as of the first day of the applicable month, and (iii) the Insurer's Deal Percentage, as may be reduced due to the application of monthly Current Period Deal Modification Loss Amount pursuant to Article VII.(d).
Monthly Premium Rate:	0.10000%
Annual Premium Rate:	1.20000%

Eligibility Criteria:

(a) Each Covered Loan met the requirements of the Selling Guide, or any variances thereto granted in writing by the Insured prior to delivery, at the time it was Delivered to the Insured. The Insured makes no representation as to which variances, if any, apply to individual Covered Loans;

(b) Each Covered Loan is a fully amortizing, fully documented, fixed-rate, first lien mortgage loan, which has an original term of greater than twenty (20) years and no more than thirty (30) years and was secured by Residential Property located in the United States, including the District of Columbia, Puerto Rico, the U.S. Virgin Islands or Guam on its origination date;

(c) Each Covered Loan was originated between December 1, 2024 and December 31, 2025;

(d) Each Covered Loan was Delivered to the Insured between the following dates: July 1, 2025 and December 31, 2025;

(e) No Covered Loan had an original loan-to-value ratio that (1) is eighty percent (80%) or less, or (2) is more than ninety-seven percent (97%);

(f) Each Covered Loan had primary mortgage guaranty insurance in force if its loan-to-value ratio at the time it was Delivered to the Insured exceeded eighty percent (80%), unless the loan was secured by property located in the State of New York, in which case a loan may not be required to have mortgage insurance under the Selling Guide due to New York laws and regulations establishing the means for determining "fair market value";

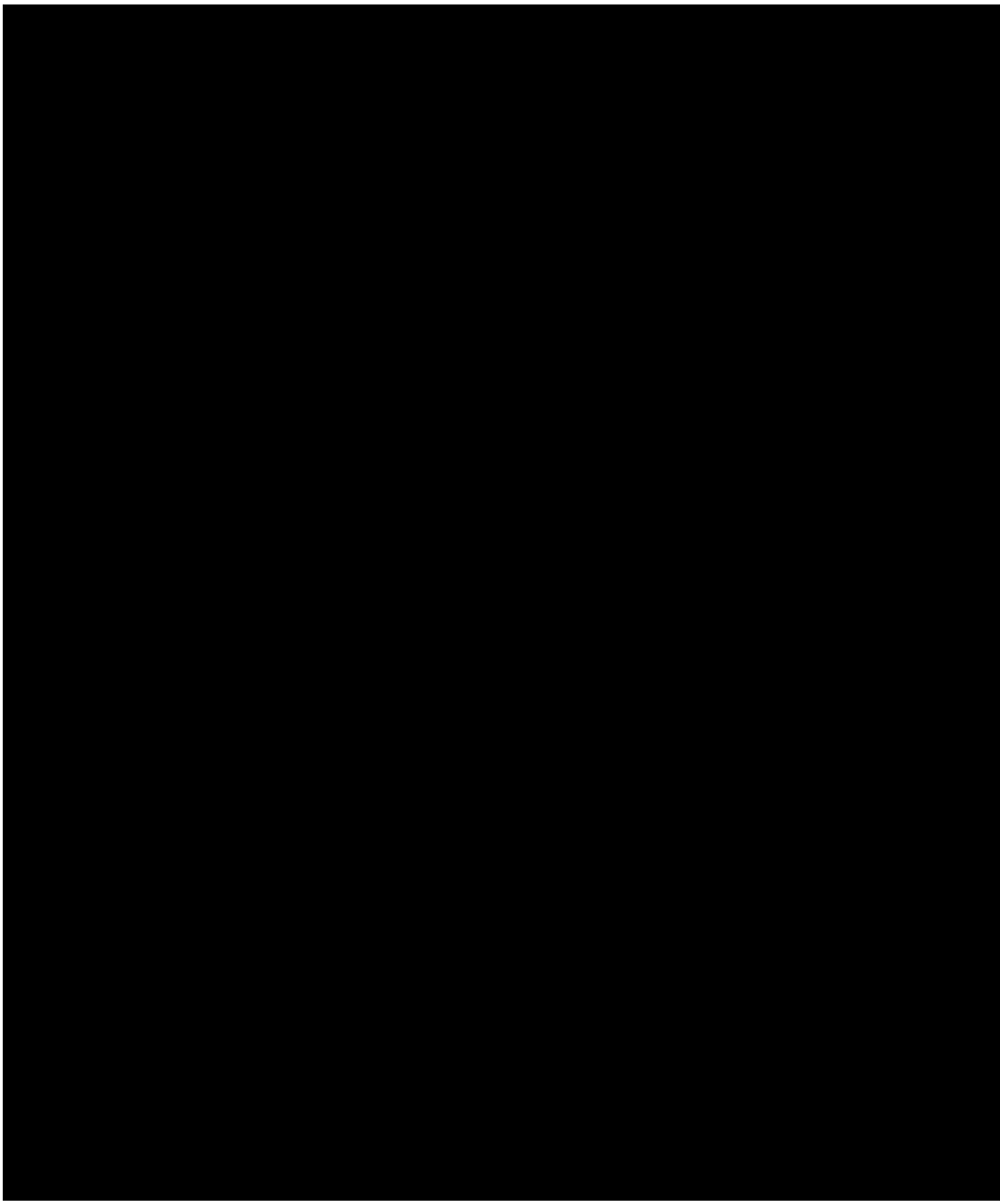
(g) No Covered Loan had ever been thirty (30) days or more delinquent prior to the Effective Date; and

(h) No Covered Loan had been in forbearance when Delivered to the Insured or as of the Effective Date;

Policy All-Inclusive: This Policy is comprised of this Declarations Page and the various terms and provisions attached to the Policy as of the Effective Date.

(Signature Page Follows)

IN WITNESS HEREOF, each party hereto has caused this Policy to be executed on its behalf by its duly authorized representative as of the date(s) specified below:



Aggregate Excess of Loss Credit Insurance Policy

Table of Contents

Page

I. INSURING AGREEMENT....6
II. REPRESENTATIONS AND WARRANTIES OF THE INSURER....6
III. REPRESENTATIONS AND WARRANTIES OF THE INSURED....8
IV. LIMITATION OF LIABILITY....9
V. CLAIMS AND REPORTING....11
VI. CALCULATION OF LOSS....12
VII. LOSS ADJUSTMENTS; APPLICATION OF CURRENT PERIOD DEAL MODIFICATION LOSS AMOUNT....13
VIII. CANCELLATION....15
IX. MONTHLY PREMIUM....17
X. REDUCTION UNDER QUOTA SHARE CONTRACT....17
XI. EXCLUSIONS....17
XII. GENERAL CONDITIONS....17
XIII. DEFINITIONS....19

Exhibit A: Form of Monthly Servicing Report/Notice of Claim....30
Exhibit B: Loss Calculation Example....33

Aggregate Excess of Loss Credit Insurance Policy

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

In consideration of the Insured paying the Monthly Premium stated in the Declarations Page to the Insurer and in reliance upon the statements in the Declarations Page made a part hereof and subject to all of the terms of this Policy, the Insurer hereby agrees, subject to the Insurer's Limit of Liability, to pay Aggregate Losses to the Insured to the extent and in the manner set forth herein.

I. INSURING AGREEMENT

(a) After first deducting any valid and collectible primary mortgage guaranty insurance that may apply to a Covered Loan, this Policy provides coverage for one hundred percent (100%) of the Aggregate Losses of the Insured in excess of the Aggregate Retention of the Insured on Covered Loans that Default during the Policy Period, subject to the Insurer's Limit of Liability and all other terms, conditions and limitations of this Policy.

(b) Notwithstanding the provisions of Article I.(a) above, with regard to any Loss(es) owed to the Insured by the Insurer, in the event that the Insured is paid directly by any Reinsurer under the Quota Share Contract, or if the Insured were to draw down upon any trust under which the Insured is a beneficiary or co-beneficiary with regard to this Policy, then, only and solely to the extent of any such Loss(es) so received by the Insured, the Insurer is relieved of all corresponding responsibilities and liability to the Insured under this Policy for payment of such Loss(es).

II. REPRESENTATIONS AND WARRANTIES OF THE INSURER

The Insurer represents and warrants as follows:

(a) The Insurer is an insurance company duly organized, validly existing and in good standing under the laws of [redacted] and has all requisite company power and authority to own and lease its properties and to carry on its business as conducted by it.

(b) The Insurer has taken all corporate action required to authorize the execution, delivery and performance of this Policy, and the performance of its obligations thereunder, and has received all necessary legal and regulatory approvals for it to execute, deliver and perform under this Policy.

(c) The Insurer has the corporate power and authority to execute and deliver, and perform its obligations under this Policy.

(d) The Insurer has secured, at the Effective Date, reinsurance coverage under the Quota Share Contract for one hundred percent (100%) of its liabilities under this Policy with Reinsurers. Any changes to the participation percentages of the Reinsurers under the Quota Share Contract, including the addition of any new reinsurers, after the Effective Date must be approved in writing by the Insured.

(e) The Insurer shall obtain written representations and warranties from the Reinsurers substantially similar to those set forth in this Article II.(b), (c), (f), (g), (i) and (j), and substantially similar to those set forth in this Article II.(a) and (h) as to the respective jurisdiction of organization of each of the Reinsurers.

(f) This Policy, when executed and delivered shall constitute a legal, valid and binding obligation of the Insurer, enforceable except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and subject to the application of equitable principles and the availability of equitable remedies.

(g) The execution and delivery by the Insurer of this Policy, and the performance by the Insurer under this Policy, do not and shall not require the Insurer to possess, obtain, make, provide or deliver any consent, waiver, approval, license, permit, order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any governmental authority or other Person, other than (i) any of which have been unconditionally obtained or effected (as appropriate) and are in full force and effect or (ii) any of which the failure to possess, obtain, make, provide or deliver do not or shall not, individually or together with any one or more such other failures, result in the Insured incurring any liability, or have a material adverse effect on (a) the ability of the Insurer to perform and comply with its respective obligations under this Policy, or (b) the consummation of the transactions contemplated under this Policy.

(h) The Insurer is, and shall use its best efforts to remain, in compliance at all times and in all material respects with all Applicable Law, with the conditions attached to its license and with any directions to the Insurer issued by the [redacted]

(i) There are no pending or, to Insurer's knowledge, threatened actions, suits, investigations or proceedings ("Proceedings") by or against the Insurer which are material to its business, at law or in equity or otherwise before any court, tribunal, agency, official, arbitrator or other governmental authority and the Insurer has not been the subject of any such Proceedings in the last two (2) years, other than to the extent that such Proceedings that are considered part of the normal operations of an insurance or a reinsurance company.

(j) The Insurer has such knowledge and experience in financial, business and insurance matters that it is capable of evaluating the merits and risks of this Policy and the transactions hereunder. The Insurer has conducted its own independent review and analysis of the underwriting risk and acknowledges and agrees that the Insured has provided the Insurer with sufficient information for this purpose. In entering into this Policy, the Insurer has relied solely upon its own investigation and analysis, and the Insurer acknowledges and agrees that, except for representations and warranties of the Insured expressly provided in Article III. (Representations and Warranties of the Insured), the Insured makes no, and has made no, representation or warranty, either express or implied, with respect to this Policy or as to the accuracy or completeness of any of the information (including projections, estimates or any other forward looking forecasts) provided or

otherwise made available to the Insurer.

III. REPRESENTATIONS AND WARRANTIES OF THE INSURED

In accepting this Policy, the Insured hereby agrees, represents and warrants the following to the Insurer as of the Effective Date:

(a) Statements and information with respect to any Covered Loan are true, correct and complete in all material respects.

(b) Each Covered Loan meets the Eligibility Criteria.

(c) Each Covered Loan will be serviced in accordance with the Servicing Guide.

(d) It has not withheld any information that would reasonably affect the decision of an insurer of risks similar to the risk under the Policy, and it has no knowledge of any circumstance related to the origination, underwriting or servicing of the Covered Loans which could give rise to or increase the likelihood of a loss to such insurer at any time during the term of the Policy.

(e) It is duly organized, validly existing and in good standing under the laws of the United States.

(f) It has taken all actions required to authorize the execution, delivery and performance hereunder.

(g) It is accepting delivery of the Policy in [redacted]

(h) The Policy, when executed and delivered, will constitute a legal, valid and binding obligation of the Insured as to its obligations hereunder, enforceable except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and subject to the application of equitable principles and the availability of equitable remedies.

(i) The execution and delivery by the Insured of the Policy, and the performance by the Insured under the Policy, do not and will not require the Insured to possess, obtain, make, provide or deliver any consent, waiver, approval, license, permit, order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any governmental authority or other Person, other than (1) any of which have been unconditionally obtained or effected (as appropriate) and are in full force and effect or (2) any of which the failure to possess, obtain, make, provide or deliver do not or will not, individually or together with any one or more such other failures, result in the Insurer incurring any liability, or have a material adverse effect on (x) the ability of the Insured to perform and comply with its respective obligations under the Policy, or (y) the consummation of the transactions contemplated under the Policy.

(j) To the best of the Insured's knowledge, the historical loss and loan information was accurate at the time provided.

(k) The Insured shall maintain the Minimum Insured Aggregate Retention and retain 100% of Aggregate Losses until Aggregate Losses exceed the Minimum Insured Aggregate Retention. The Insured may transfer to an Aggregate Retention Transferee a portion of the Insured's interest in the Aggregate Retention up to an amount equal to ninety-five percent (95%) of the difference between the Aggregate Retention and the Minimum Insured Aggregate Retention.

IV. LIMITATION OF LIABILITY

(a) The total liability of the Insurer for Aggregate Losses under this Policy shall in no event exceed the Insurer's Limit of Liability.

(b) Each payment of Aggregate Losses by the Insurer in discharge of its obligations under this Policy, and other scheduled payments of Aggregate Losses owed by insurers that have written other insurance policies for the pool of loans specified on the Declarations Page of this Policy, shall be credited against the Limit of Liability.

(c) If, after the Effective Date, a Covered Loan is identified as a Removed Loan, such loan shall be excluded from coverage pursuant to Article XI.(b) (Exclusions). Such loan shall be treated as if it had paid-off, the Total Current Principal Balance shall be reduced accordingly, and any Aggregate Loss previously paid in connection with such loan shall be returned by the Insured to the Insurer.

(d) Beginning with the first month after the Effective Date Month and for each month thereafter, and effective as of the first day of the applicable month,

- the Current Detachment Point shall be set equal to the lesser of:

  i. the greater of:

     1. the product of (a) the applicable month's Detachment Point Percentage Build and (b) the applicable month's Detachment Point Percentage Target multiplied by the sum of (x) the Total Current Principal Balance and (y) the Total Liquidated Principal Balance, or

     2. the applicable month's Seriously Delinquent Loan Factor multiplied by the sum of (x) the Total Seriously Delinquent Principal Balance, and (y) the Total Liquidated Principal Balance.

     or

  ii. the greater of:

     1. zero, or

     2. the Limit of Liability effective as of the first day of the prior month plus the Aggregate Retention minus the Aggregate Losses.

- After updating the Current Detachment Point, the Remaining Limit of Liability shall be set equal to the greater of:

     a) zero, or

b) the Current Detachment Point less the greater of (x) zero, or (y) the Aggregate Retention minus the Aggregate Losses.

- After updating the Remaining Limit of Liability, the Limit of Liability shall be set equal to the lesser of:

  a) the Remaining Limit of Liability plus the greater of (x) zero or (y) the Aggregate Losses minus the Aggregate Retention, or

  b) the Limit of Liability effective as of the first day of the prior month.

Related Definitions:

Detachment Point Percentage Build – means a percentage value based on the number of months after the Effective Date Month, as determined from the following table:

Number of months after the Effective Date Month	Detachment Point Percentage Build
1 to 14	115%
15 to 23	100%
24 to 35	100%
36 to 47	100%
48 and greater	100%

Detachment Point Percentage Target – means a percentage value based on the number of months after the Effective Date Month, as determined from the following table:

Number of months after the Effective Date Month	Detachment Point Percentage Target
1 to 14	4.40%
15 to 23	4.40%
24 to 35	4.40%
36 to 47	3.50%
48 and greater	3.00%

Seriously Delinquent Loan Factor – means a percentage value based on the number of months after the Effective Date Month, as determined from the following table:

Number of months after the Effective Date Month	Seriously Delinquent Loan Factor
1 to 14	900%
15 to 23	450%
24 to 35	300%
36 to 47	250%
48 and greater	200%

(e) In no event shall the Limit of Liability be reduced pursuant to Article IV.(d) following the Termination Date.

(f) Notwithstanding any other provision of this Policy to the contrary, the Insurer shall have no liability to pay any Aggregate Losses once those Aggregate Losses paid by the Insurer equal the Insurer's Limit of Liability. The Insured shall be solely responsible for any Losses that would otherwise exceed the Limit of Liability.

V. CLAIMS AND REPORTING

(a) The Insured shall make available to the Insurer monthly a Notice of Claim. Where the Insured wishes to file a Claim, such monthly Notice of Claim on a Covered Loan shall be made available within one hundred fifty (150) calendar days of the end of the month in which a related REO Sale or Third-Party Sale occurs; provided, however, that the Insurer shall have no obligation to make payment for Aggregate Losses as determined from a Notice of Claim until the Aggregate Retention has been exceeded. The Insured's failure to provide a Notice of Claim within the foregoing period shall not relieve the Insurer of its obligations under this Policy, provided that such late notice does not prejudice the Insurer in any material way.

(b) The Insured shall provide written notice to the Insurer that the Aggregate Retention has been exceeded, and thereafter the Insurer shall submit payment for Aggregate Losses as determined from the Notice of Claim on a Covered Loan within eleven (11) Business Days of its receipt of the Notice of Claim, and such date shall be the "Claim Due Date".

(c) After Aggregate Losses exceed the Aggregate Retention, in satisfaction of the Claim, the Insurer is responsible for paying an amount equal to the product of the Insurer's Deal Percentage and the Aggregate Losses in excess of the Aggregate Retention, as determined from the Notice of Claim, subject to the Insurer's Limit of Liability.

With respect to a Claim, in the event the Insurer does not pay the relevant Aggregate Losses by the applicable Claim Due Date, it shall pay interest at a rate per annum on such Aggregate Losses calculated on an actual/360 basis as follows: 1) if the relevant Aggregate Losses are paid on or before the sixtieth (60th) day following the applicable Claim Due Date, the Net Interest Rate due upon each relevant Covered Loan, commencing on and including the day immediately following the relevant Claim Due Date up to but excluding the date on which the relevant Aggregate Loss is paid; or 2) if the relevant Aggregate Loss is paid after the sixtieth (60th) day following the applicable Claim Due Date, the Net Interest Rate due upon each relevant Covered Loan, commencing on and including the day immediately following the applicable Claim Due Date up to and including the sixtieth (60th) day following the applicable Claim Due Date, plus the sum of the Net Interest Rate due upon each applicable Covered Loan and ten percent (10.00%), commencing on and including the day immediately following the sixtieth (60th) day following the applicable Claim Due Date up to but excluding the date on which the relevant Aggregate Loss is paid.

(d) As a matter of routine reporting during the Policy, by the last Business Day of the month the Insured shall provide the Insurer with the Monthly Servicing Report, which shall be updated and cover activity during the month that is two months prior to the publication of the Monthly Servicing Report.

VI. CALCULATION OF LOSS

(a) If a Covered Loan experiences a Credit Event and has an MI Policy that reduces the Insured's loss on such Covered Loan to zero, there is no Loss to calculate in connection with such Covered Loan and no payment shall be due from the Insurer on a Claim for Loss with respect to such Covered Loan.

(b) If Article VI.(a) above does not apply, and the Covered Loan experiences a Credit Event, the Loss shall be calculated as the sum of:

i. the Default Amount, and

ii. interest at the Net Interest Rate computed on the sum of (a) the Default Amount less (b) any Non-Interest Bearing UPB less (c) the Payment Deferral Balance, from the date of Default until the date of the Third-Party Sale or REO Sale, provided, however, that in no event shall the time for which accumulated delinquent interest is included in the Loss exceed forty-five (45) months, and

iii. the amount of Advances paid by the Insured prorated (based on the number of days) through the date the Claim is provided in the Monthly Servicing Report,

less

iv. the amount of all rents and other payments (excluding proceeds of hazard and/or homeowner's insurance) collected or received by the Insured, prior to the date the Claim is provided in the Monthly Servicing Report, and that the Insured is entitled to retain, which are derived from or in any way related to the Property, and

v. the amount of cash remaining in any escrow account as of the last payment date, if such cash secures the debt, and

vi. the amount of cash to which the Insured has retained the right of possession as security for the Covered Loan and all sums as to which the Insured has the right of set-off, and

vii. the amount paid by the hazard insurer under applicable hazard and/or homeowner's coverage policies, which has not been applied to the cost of restoring and repairing the Property or which has not been applied to the payment of the Covered Loan, and

viii. the net proceeds of the Third-Party Sale or REO Sale, consisting of the gross sales price less all reasonable and necessary costs incurred in

obtaining and closing the sale, and

ix. the Amount Due on an MI Policy, or, in the event of a sale of a mortgage note as described as described in clause (iii) in the definition of Credit Event which mortgage note is covered by an MI Policy, the proceeds received from the relevant mortgage guaranty insurance company in connection with a commutation of the MI Policy for a Covered Loan, and

x. the amount of any indemnification or make-whole proceeds paid to the Insured by a Servicer or party otherwise responsible to the Insured in connection with a Covered Loan.

(c) An example of the Loss calculation is provided in Exhibit B.

(d) Notwithstanding any other provision of this Policy to the contrary, the Insurer shall have no liability to pay any Loss unless and until the Aggregate Losses exceed the Aggregate Retention as specified in the Declarations Page. The Insured shall be solely responsible for Loss until Aggregate Losses exceed the Aggregate Retention.

VII. LOSS ADJUSTMENTS; APPLICATION OF CURRENT PERIOD DEAL MODIFICATION LOSS AMOUNT

(a) Indemnification Proceeds. Before the Termination Date, if the Insured is paid any indemnification or make-whole proceeds by a Servicer or any party otherwise responsible to the Insured in connection with a Covered Loan after the Insurer has paid a Loss on such Covered Loan, the Insured shall pay to the Insurer such proceeds up to the aggregate amount of Loss paid by the Insurer on such Covered Loan. All such proceeds paid to the Insurer shall reduce Aggregate Losses.

(b) Collection Activities.

i. In connection with a Covered Loan where a Notice of Claim is provided in the Monthly Servicing Report by the Insured pursuant to Article V.(a) (Claims and Reporting) prior to the date the Aggregate Retention has been exceeded, any amounts received by the Insured as a result of Collection Activities shall be retained by the Insured and all such proceeds shall reduce Aggregate Losses.

ii. In connection with a Covered Loan where a Notice of Claim is provided in the Monthly Servicing Report by the Insured pursuant to Article V.(b) (Claims and Reporting) after the Aggregate Losses exceed the Aggregate Retention, any amounts received by the Insured as a result of Collection Activities shall be for the benefit of the Insurer and be paid to the Insurer, net of any third-party expenses incurred by the Insured to receive such amounts or the right to receive such amounts, up to the aggregate amount of Loss paid by the Insurer on such Covered Loan. For purposes of this Article VII.(b)(ii), the Insured shall apply its same standards as it would apply in the normal course of Collection Activities pursuant to Article VII.(b)(i) above. All such amounts paid by the Insured to the Insurer before the

later of (x) the date of payment by the Insurer of the final Loss eligible to be paid under this Policy, or (y) the Termination Date shall reduce Aggregate Losses.

(c) Termination Date. For purposes of Article VII.(b)(ii) above, the occurrence of the Termination Date shall not affect the Insured's obligation to pay such amounts to the Insurer.

(d) Application of Current Period Deal Modification Loss Amount. Beginning with the first month after the Effective Date Month and for each month thereafter, after first applying Losses to the Aggregate Retention and Limit of Liability, Current Period Deal Modification Loss Amount, if any, will be applied in the following order of priority:

i. first, Current Period Deal Modification Loss Amount in excess of 0.40% of the Remaining Aggregate Retention shall be applied against the Aggregate Retention until the Remaining Aggregate Retention is equal to zero. The amount calculated in this section is included in the Applied Current Period Deal Modification Loss Amount.

ii. second, Current Period Deal Modification Loss Amount in excess of the amounts applied under VII.(d).i above shall be applied to reduce the Monthly Premium owed to the Insurer and all other insurers that have written other insurance policies for the pool of loans specified on the Declarations Page of this Policy, on a pari passu basis, until the Monthly Premium in aggregate for all insurers is equal to zero. For the purpose of this calculation, if the Insurer's Deal Percentage is less than 100%, the calculation will be made as if 100% of the Limit of Liability is insured, and that the Monthly Premium owed to all insurers is the product of (a) the Monthly Premium Rate specified on the Declarations Page of this Policy and (b) the Remaining Limit of Liability effective as of the first day of the month prior to the month in which the calculation is being made reduced by Losses incurred during the prior month.

iii. third, Current Period Deal Modification Loss Amount in excess of the amounts applied under VII.(d).ii above shall be applied against the Limit of Liability until the Remaining Limit of Liability is equal to zero. The amount calculated in this section is included in the Applied Current Period Deal Modification Loss Amount.

At the Termination Date, Current Period Deal Modification Loss Amount will no longer be applied as described above.

VIII. CANCELLATION

(a) This Policy shall automatically cancel on the Termination Date set forth on the Declarations Page, unless cancelled earlier in accordance with Article VIII.(b) through (f) below in which event this Policy shall be cancelled on the Termination Date described below in Article VIII.(b) through (f). Within sixty (60) days following

the Termination Date: set forth on the Declarations Page or, if applicable, the Termination Date determined pursuant to Article VIII.(b) or (c):

i. if the Insured determines that the Aggregate Retention has not been exceeded and would not be exceeded if the Total Current Principal Balance of all Covered Loans then in Default were added to the Aggregate Losses, then this Policy shall cancel on the Termination Date and the Insurer shall not be liable for any payment of Aggregate Losses;

ii. if the Insured determines that the Aggregate Retention has not been exceeded, but would be exceeded if the Total Current Principal Balance of all Covered Loans then in Default were added to the Aggregate Losses, then such Covered Loans in Default shall remain covered under this Policy until the earlier of the date such Covered Loans are no longer in Default or become Liquidated Covered Loans, and the Insurer shall continue to pay Losses in connection with such Liquidated Covered Loans without further payment of premium by the Insured;

iii. if the Insured determines that the Aggregate Retention has been exceeded, then all Covered Loans then in Default shall remain covered under this Policy until the earlier of the date such Covered Loans are no longer in Default or become Liquidated Covered Loans, and the Insurer shall continue to pay Losses in connection with such Liquidated Covered Loans without further payment of premium by the Insured; and

iv. the Insured shall notify the Insurer whether subclause (a).i., (a).ii., or (a).iii., above applies.

(b) The Insurer may cancel this Policy in the event of non-payment of Monthly Premium if the Monthly Premium has not been paid pursuant to Article IX. (Monthly Premium). In such case, the Insurer may cancel this Policy by providing written notice to the Insured stating when the cancellation shall be effective but in no case less than thirty (30) days from the missed Monthly Premium due date. The cancellation date in such written notice shall become the Termination Date of the Policy. If the Insured pays the Monthly Premium on or before the effective date of the cancellation, this Policy shall continue in full force and effect.

(c) The Insured may cancel this Policy upon: (i) the insolvency of the Insurer or the Insurer having been placed into bankruptcy, liquidation, rehabilitation, receivership, supervision, administration, conservation, winding-up or under a scheme of arrangement or similar proceedings (whether voluntary or involuntary), or proceedings having been instituted against the Insurer, for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee in bankruptcy, or other agent known by whatever name, to take possession of its assets or control of its operations, or any similar proceeding has been commenced with respect to the Insurer unless, in each case, such proceeding is involuntary and is controverted within ten (10) calendar days and is dismissed within thirty (30)

calendar days, of commencement of such proceeding; (ii) a breach in any material respect by the Insurer of any representation or warranty provided in Article II. (Representations and Warranties of the Insurer) or a breach in any material respect of any covenant or agreement of the Insurer contained herein; (iii) the receipt by the Insurer of a cease and desist order or any similar order from a regulatory authority that it ceases and desist in writing all or part of its business; or (iv) material non-compliance by the Insurer with the terms of this Policy. The Insured shall give written notice to the Insurer stating the grounds for such action and when the cancellation shall be effective. The cancellation date in such written notice shall become the Termination Date of this Policy.

(d) [Reserved]

(e) The Insured may cancel this Policy if the Total Current Principal Balance is reduced to no more than ten percent (10.00%) of the Total Initial Principal Balance. The Insured shall give written notice to the Insurer upon electing this action and when the cancellation shall be effective. The cancellation date in such written notice shall become the Termination Date of this Policy.

(f) The Insured may cancel this Policy under the terms of the Optional Policy Cancellation as specified on the Declarations Page, and the cancellation date shall become the Termination Date each as described in the terms of the Optional Policy Cancellation as specified on the Declarations Page.

(g) This Policy shall automatically cancel if the Remaining Limit of Liability at any Monthly Reporting Period is zero dollars ($0.00), subject to adjustment pursuant to Article VII.(a), and the Insured shall not then be liable for any Monthly Premium, except for outstanding amounts that may have accrued prior to that time and may still be owed thereafter. The date of such automatic cancellation shall become the Termination Date of this Policy.

(h) Under all cancellation provisions in Article VIII.(a) through (c) above, the Insured shall not be liable for any Monthly Premium that may accrue after the Termination Date, and the Insurer shall not be liable for any Loss on Covered Loans that Default after the Termination Date. (For the avoidance of doubt, with respect to a cancellation under Article VIII.(a) through (c) above, the Insured shall remain liable to pay any Monthly Premium that accrues prior to, but is not payable until after, the relevant Termination Date.) Under all cancellation provisions in Article VIII.(d) through (f) above, the Insured shall not be liable for any Monthly Premium that may accrue after the Termination Date, and the Insurer shall only be liable to pay Claims filed by the Insured prior to the Termination Date. (For the avoidance of doubt, with respect to a cancellation under Article VIII.(d) through (f) above, the Insurer shall not be liable for Loss on Covered Loans that are in Default as of the relevant Termination Date but for which the Insured has not filed a Claim.)

IX. MONTHLY PREMIUM

The initial Monthly Premium due and payable under this Policy shall be calculated as specified on the Declarations Page of this Policy, and the Insured will make its best effort to pay the initial Monthly Premium and each subsequent Monthly Premium by the last day of the month for which it is due. For example, the Monthly Premium due for January shall be paid by January 31.

X. REDUCTION UNDER QUOTA SHARE CONTRACT

Notwithstanding any other provision of this Policy to the contrary, in the event of a Quota Share Reduction to which the Insured has given its written consent, the Insurer's Deal Percentage will be reduced by the Quota Share Reduction Percentage.

XI. EXCLUSIONS

The Insurer shall not be liable for any Loss in connection with a Covered Loan:

(a) having a date of Default prior to the Effective Date of this Policy or that goes into Default after the Termination Date; or

(b) that constitutes a Removed Loan.

XII. GENERAL CONDITIONS

(a) **Arbitration** - Unless prohibited by Applicable Law, any controversy or dispute, including any Claim made under this Policy, arising out of or relating to this Policy, may, upon the mutual consent of all parties to the dispute, be settled by binding arbitration in accordance with the rules of the American Arbitration Association deemed most appropriate by such association. If this remedy is elected by all parties to the dispute, then the decision of the arbitrator shall be final and binding on all the parties and shall be enforceable in any court of competent jurisdiction in the United States of America.

(b) **Suit** -

i. Each of the parties to this Policy consents to the sole and exclusive jurisdiction of the courts of [redacted] and/or the federal courts sitting in [redacted] in the case of any dispute or other matter arising under this Policy which is not disposed of with finality under Article XII.(a). No suit or action for recovery of any Aggregate Losses under this Policy shall be sustained in favor of the Insured in any court of law or equity unless the Insured has materially complied with the terms and conditions of this Policy, except a suit or action where the issue is whether the Insured materially complied with the terms and conditions of this Policy or what was required to do so, and unless the suit or action in equity is commenced within three (3) years, or such longer period of time as may be permitted by Applicable Law, after (i) the Claim has been presented to the Insurer or (ii) the date on which the cause of action accrued, whichever is earlier. No suit or action on the Insurer's disposition of a Claim or any Aggregate Loss may be brought against the Insurer until sixty (60) days have elapsed from the relevant Claim Due Date. The parties to this Policy expressly waive the right to a jury trial.

ii. If a dispute arises concerning a Covered Loan and involves either the Property or the Insured, the Insurer has the right to protect its interest by defending any action arising from such dispute, even if the allegations involved are groundless, false or fraudulent. The Insurer is not required to defend any lawsuit involving the Insured, the Property, or a Covered Loan. The Insurer and the Insured shall each bear its own costs and expenses for any litigation under this Article XII.(b).

(c) **Parties in Interest** - This Policy shall be binding upon and inure to the benefit of the Insurer and its successors and assigns and the Insured and its successors and such assigns as may be permitted by the Insurer. Neither the Borrower, nor the Servicer, nor any successor owner of a Property, nor any primary mortgage guaranty insurance Insurer, nor any other Person is included or intended as a third-party beneficiary to this Policy.

(d) **Governing Law; Conformity to Statute** - This Policy shall be governed by, and construed and enforced in accordance with, the laws of [redacted] (excluding the conflict of laws rules). Any provision of this Policy that is in conflict with the law of that jurisdiction is amended by this Article XII.(d) to conform to the minimum requirements of that law.

(e) **Co-ordination and Duplication of Insurance Benefits** - The coverage under this Policy shall be excess over any valid and collectible payments under an MI Policy that may apply to a Covered Loan, regardless of the type of or the effective date of such other coverage, and regardless of whether such MI Policy was required by or purchased for the Insured or may protect the Insured as a third-party beneficiary or otherwise.

(f) **Duty of Cooperation; Access to Records** - The Insured and the Insurer shall cooperate in good faith with one another in the administration of this Policy, including the resolution of any disputes arising under this Policy. Upon reasonable notice from the Insurer, the Insured shall provide access to its non-privileged records that pertain to this Policy for purposes of allowing the Insurer to obtain information related to any Covered Loan and the Insured's handling thereof under this Policy. "Non-privileged" as used herein, means records not subject to the Attorney-Client Privilege or the Attorney Work Product Doctrine in accordance with Applicable Law. For any privileged documents or information withheld, the Insured shall, in consultation with the Insurer, take steps as reasonably necessary to provide the Insurer with the information it reasonably requires to evaluate its obligations and/or potential exposure under this Policy without causing a loss of such privilege.

(g) **Electronic Data** - The Insurer and the Insured agree that each may originate, maintain, and share information, documents or other data (in this Article XII.(g) referred to as "data") as electronic records using electronic media generally accepted as usual and customary for business records (e.g., e-mail, secure web-portals) and that such data are as acceptable for all purposes under this Policy as data maintained in printed or written form, so long as the data is not denied legal effect or enforceability solely because it is in electronic form. Notices required by this Policy may be sent by electronic means and if so sent shall have the same effect as if sent in paper form.

(h) **Non-Public Personally Identifiable Information** - Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. Disclosing or using such information for any purpose not authorized by Applicable Law is expressly forbidden without the prior written consent of the Insured.

(i) **Public Statements** - The Insurer consents to the public disclosure of any or all terms of this Policy. The Insurer further agrees that it will not make any public statements, including press releases, about this Policy without the prior written approval of the Insured unless required by law or regulation, in which case the Insurer will give the Insured written notice no less than three (3) days in advance of such disclosure.

(j) **Amendments; No Waiver; Rights and Remedies** -

i. No condition or requirement of this Policy shall be deemed waived, modified or otherwise compromised unless that waiver, modification or compromise is stated in a writing properly executed by the party so waiving. Each of the conditions and requirements of this Policy is severable, and a waiver, modification or compromise of one shall not be construed as a waiver, modification or compromise of any other.

ii. No right or remedy of the Insurer provided for by this Policy shall be exclusive of, or limit, any other rights or remedies set forth in this Policy or otherwise available to the Insurer at law or equity.

iii. This Policy shall not be altered, modified or amended without the prior written consent of the Insurer and the Insured.

XIII. DEFINITIONS

Advances - means those amounts paid by the Insured and related to the Covered Loan or Property for the following: (i) normal and customary hazard and/or homeowner's insurance premiums; (ii) taxes, assessments and other public charges imposed on the Property; (iii) solely in instances of Default, commercially reasonable and necessary expenses for protection and preservation of the Property; (iv) condominium fees, homeowner association dues and other pro-rated portions of shared fees related to the common areas attendant to the Property, to the extent ascertainable and necessary to maintain the priority of the first lien; (v) if the Covered Loan is secured by a Cooperative Property, maintenance fees, cooperative association dues and other pro-rated portions of shared fees related to the common areas attendant to the Cooperative Property, to the extent ascertainable; (vi) commercially reasonable and necessary expenses to complete a foreclosure alternative (e.g., a short sale or deed-in-lieu of foreclosure), including any incentives paid to the Borrower (e.g., the Insured's "Cash for Keys") and/or to the Servicer to facilitate such alternative; and (vii) commercially reasonable and necessary expenses to complete foreclosure, eviction and Deficiency Judgment proceedings, as appropriate, including court costs and actual attorney's fees.

Aggregate Losses - means for all Covered Loans, as of any particular date, the sum of all Losses with respect to fully completed Notices of Claim provided by the Insured to the Insurer and the sum of all Applied Current Period Deal Modification Loss Amounts pursuant to Article VII.(d), from the Effective Date to such particular date.

Aggregate Retention - means the amount of Aggregate Losses that shall be retained by the Insured (and, if applicable, any Aggregate Retention Transferee) before receiving insurance benefits under this Policy, as specified in the Declarations Page of this Policy. The Aggregate Retention is the amount specified on the Declarations Page of this Policy which is calculated by multiplying the Aggregate Retention Percentage by the Total Initial Principal Balance.

Aggregate Retention Percentage - means the percentage specified as such on the Declarations Page of this Policy.

Aggregate Retention Transferee – means a party to whom the Insured may transfer a portion of the Insured's Aggregate Retention; provided, however, that the Insured must maintain the Minimum Insured Aggregate Retention.

Amount Due on MI Policy - means either:

a) the credit enhancement proceeds reflected in the Monthly Servicing Report received by the Insured on the Covered Loan insured under a policy of primary mortgage guaranty insurance, and, if applicable, a credit for any amount that should have been paid to the Insured under such policy but for the fact that the Covered Loan was insured by a mortgage guaranty insurance company that is making partial (or no) payments due to its financial inability or insolvency, or;

b) in the event of (i) a denial of a claim by the mortgage guaranty insurance company under a policy of primary mortgage guaranty insurance insuring the Covered Loan (except for claims denied where physical damage to a Property is determined as the principal cause of default), or (ii) a rescission of coverage by the mortgage guaranty insurance company under a policy of primary mortgage guaranty insurance insuring the Covered Loan after the time a claim is filed under such policy; the amount calculated using the "percentage guaranty option" (or "percentage of loss" or other comparable term as used in the applicable primary mortgage guaranty insurance policy) specified when the applicable primary mortgage guaranty insurance coverage was originated.

Applicable Law - means any controlling: (i) federal, state, local, or foreign law, statute ordinance, or common law; or (ii) rule, regulation, directive, judgment, order, writ, injunction, ruling, decree, arbitration award, agency requirement, license, or permit of any governmental authority.

Applied Current Period Deal Modification Loss Amount - means the amount of the Current Period Deal Modification Loss Amount that is applied against the Aggregate Retention or the Limit of Liability pursuant to Article VII.(d).

Appraisal - means an appraisal or alternative method of valuation (such as an automated valuation model or AVM) used to determine the market value of a Property that complies with: (i) the valuation requirements of the Insured if the Covered Loan was required to be originated in compliance with the valuation requirements of the Insured; or (ii) customary mortgage loan origination practices that are acceptable to the Insurer if the Covered Loan was not required to be originated in compliance with the valuation requirements of the Insured.

Borrower - means any Person required to repay the debt obligation created pursuant to the Covered Loan. The Borrower may be more than one Person, and the term shall include any co-signer or guarantor of the Covered Loan.

Business Day - means any day that the Insurer is normally scheduled to be open for business.

Claim - means the request to receive insurance benefits of this Policy filed in accordance with, and containing all information required by the Insurer pursuant to, Article V. (Claims and Reporting).

Claim Due Date - means the definition given to that term in Article V.(b) (Claims and Reporting).

Collection Activities - means activities pursued after Default for the purpose of mitigating Losses by obtaining funds from Borrowers. Such activities include, without limitation: i) Borrower contributions in connection with a pre-foreclosure sale of a Property or the acceptance by the Insured of a deed to the Property in lieu of foreclosure; ii) non-judicial efforts to pursue deficiencies against Borrowers after foreclosure; and iii) judicial efforts to pursue Deficiency Judgments against Borrowers after foreclosure.

Cooperative Property - means a residential unit ownership of which is evidenced by ownership or membership in a cooperative housing corporation and the lease of such unit by the corporation to the stockholder or member, who shall be the Borrower.

Covered Loan – means any note or other evidence of indebtedness and the indebtedness it evidences, together with the mortgage, bond, deed of trust, or other instrument securing said indebtedness, that satisfies the Eligibility Criteria. A Covered Loan includes a loan that is in Default.

Credit Event – means with respect to a Covered Loan, is the first to occur of any of the following events: (i) the occurrence of a Third Party Sale, (ii) a short sale is settled, (iii) the occurrence of an REO Sale, (iv) the occurrence of a sale of the related mortgage note where the loan evidenced by such mortgage note is twelve or more months delinquent on the date on which the mortgage note is offered for sale, and (v) the related mortgage note is charged off.

Current Accrual Rate - with respect to any payment date and Covered Loan is the current mortgage rate (as adjusted for any Modification), less the greater of (x) the related servicing fee rate and (y) 35 basis points.

Current Detachment Point – means, as of the Effective Date, an amount equal to the Initial Detachment Point; provided, however, that beginning with the month after the Effective Date Month and for each month thereafter, the Current Detachment Point shall be adjusted pursuant to Article IV.

Current Period Deal Modification Loss Amount - means, with respect to a month, the sum of the Current Period Modification Loss Amounts for each Covered Loan that has experienced a Modification.

Current Period Modification Loss Amount - means, as reported in the applicable Monthly Servicing Report, with respect to each payment date and any Covered Loan that has experienced a Modification:

a) one-twelfth of the Original Accrual Rate multiplied by the Current Principal Balance of such Covered Loan, minus
b) one-twelfth of the Current Accrual Rate multiplied by the Interest Bearing UPB of such Covered Loan.

Current Principal Balance - means the unpaid principal balance of a Covered Loan as of the day immediately preceding the first (1st) day of the month for which the subsequent Monthly Premium is due and as reported in the applicable Monthly Servicing Report, inclusive of such Covered Loan's Interest Bearing UPB, Non-Interest Bearing UPB and the Payment Deferral Balance.

Declarations Page - means the cover pages of this Policy, signed by the Insurer, which extends the coverage indicated therein on the Covered Loans, subject to the terms, conditions, and limitations of this Policy.

Default - means the failure by a Borrower to pay when due a non-accelerated amount equal to or greater than one (1) regular scheduled payment due under the terms of a Covered Loan or the failure by a Borrower to pay all amounts due under a Covered Loan

after the exercise by the Insured of the "due on sale" provision of such Covered Loan. Default does not mean any non-monetary default or violation of any other term or condition of the Covered Loan that would allow for acceleration of the debt or foreclosure or other action to realize upon the security provided by the Covered Loan. A Covered Loan is deemed to be in Default for the period for which, as of the close of business on the installment due date, a scheduled installment payment has not been made, as reported on the Monthly Servicing Report. For example, a Covered Loan is "four (4) months in Default" if the monthly installments due on January 1, February 1, March 1, and April 1 remain unpaid as of the close of business on April 1.

Default Amount - means the unpaid principal balance of a Covered Loan on the date of Default, excluding penalties. However, such amount does include: a) amounts added to such balance, if any, as a result of Negative Amortization or Modification; b) adding back any principal forgiveness amount that was subtracted as a result of Modification; and c) the amount, if any, that was discharged in a Chapter 13 bankruptcy "cramdown."

Deficiency Judgment - means a court judgment imposing personal liability on the Borrower for the unpaid amount remaining under the terms of a Covered Loan when the proceeds of a foreclosure sale of the Property securing the Covered Loan were insufficient to fully satisfy the outstanding debt.

Delivered - means, as used in the Selling Guide, a lender's sale of a mortgage loan to the Insured that the Insured conveys to a mortgage-backed security ("MBS") trust under the terms of the Insured's MBS program, or a lender's sale of a whole mortgage loan to the Insured that the Insured holds in its portfolio and may include in a later MBS pool that it forms.

Effective Date - means the date on which coverage under this Policy becomes effective as specified on the Declarations Page of this Policy.

Effective Date Month – means the month in which the Effective Date occurs.

Eligibility Criteria - means those conditions of coverage applicable to each Covered Loan as specified on the Declarations Page of this Policy.

Exclusions - mean those exclusions from coverage set forth in Article XI. (Exclusions).

Initial Detachment Point – as specified on the Declarations Page of this Policy.

Initial Detachment Point Percentage – as specified on the Declarations Page of this Policy.

Initial Limit of Liability – as specified on the Declarations Page of this Policy.

Initial Limit of Liability Percentage – as specified on the Declarations Page of this Policy.

Initial Principal Balance - means the unpaid principal balance of a Covered Loan on the Effective Date.

Insured - means the Insured identified on the Declarations Page of this Policy.

Insurer - means the Insurer identified on the Declarations Page of this Policy.

Insurer's Deal Percentage - as specified on the Declarations Page of this Policy.

Insurer's Initial Limit of Liability – as specified on the Declarations Page of this Policy.

Insurer's Limit of Liability - means the maximum amount of Aggregate Losses, exceeding the Aggregate Retention, for which the Insurer is responsible under this Policy. As of the Effective Date, the Insurer's Limit of Liability is set equal to the Insurer's Initial Limit of Liability. Beginning with the month after the Effective Date Month and for each month thereafter, the Insurer's Limit of Liability shall be calculated as the product of a) the Insurer's Deal Percentage multiplied by b) the Limit of Liability.

Interest Bearing UPB – means the Current Principal Balance minus the Non-Interest Bearing UPB minus the Payment Deferral Balance.

Limit of Liability – means, as of the Effective Date, an amount equal to the Initial Limit of Liability; provided, however, beginning with the month after the Effective Date Month and for each month thereafter, the Limit of Liability shall be adjusted pursuant to Article IV.

Liquidated Covered Loan - means a Covered Loan in Default where title to the Property securing such loan was transferred via foreclosure, deed-in-lieu of foreclosure or a Third-Party Sale and where a Claim has not yet been filed or where a Claim has been filed and is pending settlement. For avoidance of doubt, a Liquidated Covered Loan does not include any such loan where a Claim has been filed and settled. The date of any such title transfer shall be reported by the Insured in the Monthly Servicing Report.

Loss - means the amount as calculated in Article VI. (Calculation of Loss), subject to the terms, conditions, and limitations of this Policy.

Loss-on-Sale Calculation - means the method of calculating the Loss pursuant to Article VI. (Calculation of Loss).

MI Policy – means a primary mortgage guaranty insurance policy on a Covered Loan.

Minimum Insured Aggregate Retention – means an amount equal to the Minimum Insured Aggregate Retention Percentage multiplied by the Total Initial Principal Balance.

Minimum Insured Aggregate Retention Percentage – means one-quarter of one percent (0.25%).

Mixed-Use Property - means a dwelling that features distinct functional use for both residential and commercial business purposes including, for example but not limited to, a two-story structure in which one floor serves as a commercial business (e.g., shop, office space, etc.) and the other floor serves as residential space for the owner of the dwelling and the commercial business.

Modification - means any change, unless such change is prescribed in the loan documents, to the: a) amount of indebtedness (for example, capitalization of interest arrearages); b) interest rate; c) interest rate adjustment period; or d) use of escrow funds

or other funds of a Covered Loan. For the avoidance of doubt, (1) solely for purposes of the use of the term "Modification" in this Policy, a Payment Deferral Event shall constitute a Modification, and (2) a Modification shall not include amounts solely related to i) principal forgiveness, ii) the extension of the term of amortization schedule of a Covered Loan, or iii) High LTV Refis. In addition, a mortgage rate modification that results in an increased mortgage rate with respect to any Covered Loan (after giving effect to all scheduled mortgage rate modifications thereon) shall not constitute a Modification. For example, a mortgage rate modification that provides for a mortgage rate reduction from 4% to 2%, followed by a future, scheduled step-up in the mortgage rate from 2% to 5%, shall not be a Modification for purposes of this Policy. By contrast, a mortgage rate modification that provides for a mortgage rate reduction from 4% to 2%, followed by a future, scheduled step-up in the mortgage rate from 2% to 4%, shall be a Modification for purposes of this Policy.

Monthly Premium - means the amount to be paid by the Insured to the Insurer for the coverage afforded by this Policy, as specified on the Declarations Page of this Policy.

Monthly Premium Rate - means the premium rate so specified on the Declarations Page of this Policy to be used in computing the Monthly Premium.

Monthly Reporting Period – the month and year that pertains to the servicer's cut-off period for mortgage loan information, as reported by the Insured in the Monthly Servicing Report.

Monthly Servicing Report – means an electronic file, substantially in the form of Exhibit A unless otherwise updated and made available by the Insured, containing all active Covered Loans and Liquidated Covered Loans, including information on the status of Covered Loans in Default. The Monthly Servicing Report shall be the sole means by which the Insured shall notify the Insurer of Defaults on Covered Loans and to calculate a Loss under this Policy.

Negative Amortization - means the additions to the principal amount of a Covered Loan arising from the insufficiency of optional payments or regularly scheduled payments to cover interest as it accrues against the principal amount of the Covered Loan as provided for in the loan documents relating to the Covered Loan.

Net Default Interest - means the amount calculated pursuant to Article VI.(b)(ii) (Calculation of Loss).

Net Interest Rate - means interest at the contract rate stated in the Covered Loan (or as otherwise subject to Modification in accordance with the Servicing Guide, as provided in Article III.(c) (Representations and Warranties of the Insured)), less the greater of (i) thirty-five hundredths of one percent (0.35%) or (ii) the actual Servicing Fee for the Covered Loan. In no event shall the Net Interest Rate be less than zero.

Non-Interest Bearing UPB – means a non-interest bearing amount that is created as a result of any Modification not constituting a Payment Deferral Event. For the avoidance of doubt, the term "Non-Interest Bearing UPB" is exclusive of any Payment Deferral Balance for any Covered Loan.

Non-Public Personally Identifiable Information - means such term or similar term as defined under Applicable Law.

Notice of Claim - means the Current Period Credit Event Net Gain or Loss and the Current Period Modification Loss Amount as specified in Exhibit A of this Policy.

Optional Policy Cancellation - means the basis for cancellation of this Policy as specified on the Declarations Page.

Original Accrual Rate – with respect to any Covered Loan is the mortgage rate as of the origination date, less the greater of (x) the related Servicing Fee and (y) 35 basis points

Original Value - means the lesser of the sales price of the Property (only applicable in the case of a Covered Loan made to finance the purchase of such Property) or the market value of the Property established by an Appraisal, which value was obtained by the loan originator in connection with the Covered Loan at the time it was originated.

Payment Deferral Balance – means with respect to a Covered Loan, the outstanding cumulative non-interest bearing balance of deferred monthly contractual payments (including past due principal and/or interest payments) and, if applicable, any out-of-pocket escrow advances paid to third parties and servicing advances paid to third parties and not retained by the servicer, all of which are associated with a Payment Deferral Event.

Payment Deferral Event – means with respect to a Covered Loan the deferment of monthly contractual payments (including past due principal and/or interest payments) and, if applicable, any out-of-pocket escrow advances paid to third parties and servicing advances paid to third parties and not retained by the servicer thereby creating a non-interest bearing balance which is due and payable at maturity of such Covered Loan, or earlier upon the sale or transfer of property, refinance of such Covered Loan, or pay off of the related Interest Bearing UPB.

Person - means any natural person, or any corporation, partnership, association or other legally-recognized entity.

Policy - means this contract of insurance together with the Exhibits and the Declarations Page, which are incorporated herein and made part of this Policy with respect to the Covered Loans to which they relate.

Policy Period - means the period specified as such on the Declarations Page of this Policy.

Property - means the Residential real property and all improvements thereon including any chattel items (including any built-in appliances) which are an element of the market value stated in the Original Value, including all replacements or additions to the chattel items, together with all easements and appurtenances, all rights of access, all rights to use (as well as any co-ownership interests in) common areas, recreational and appurtenant facilities, and all replacements or additions to those items.

Quota Share Contract - means the quota share reinsurance contract entered into by and between the Insurer and the Reinsurers.

Quota Share Reduction - means a reduction in the liability reinsured under the Quota Share Contract.

Quota Share Reduction Percentage - means the percentage by which the liability reinsured under the Quota Share Contract is reduced pursuant to a Quota Share Reduction.

Reinsurers - means, collectively, all duly licensed reinsurance entities accepting liability under the Quota Share Contract by signing an Interests and Liabilities Agreement attached thereto.

Remaining Aggregate Retention - means the Aggregate Retention reduced by Aggregate Losses.

Remaining Limit of Liability – means, as of the Effective Date, an amount equal to the Initial Limit of Liability; provided, however, that beginning with the month after the Effective Date Month and for each month thereafter, the Remaining Limit of Liability shall be adjusted pursuant to Article IV.

Removed Loan – means a Covered Loan that is removed from coverage under this Policy upon the occurrence of any of the following events:

a) the Covered Loan is repaid in full (except with regards to a High LTV Refi);

b) the real property securing the Covered Loan is seized, in whole or in part, in an eminent domain proceeding, condemnation or by any other proceedings by a federal, state or local governmental unit or agency;

c) the Covered Loan fails to meet the Eligibility Criteria;

d) the Covered Loan contains an underwriting defect;

e) the related loan seller or servicer (i) repurchases the Covered Loan for an amount equal to all sums due under such Covered Loan, including principal and interest, (ii) provides Insured with a full recourse against Borrower events of default, under the Covered Loan, or (iii) makes an indemnification payment to the Insured in the full amount of all sums, including principal and interest, due under the Covered Loan; and

f) the sale of the Covered Loan that previously had been a Seriously Delinquent Loan but was current at the time of the sale.

REO Sale - means a sale of a Property by the Insured after foreclosure or after receipt from the Borrower of a deed-in-lieu of foreclosure.

Residential – means

a) a type of building which is designed for occupancy by not more than four (4) families, or

b) a single condominium or planned unit development unit, or

c) a Cooperative Property, or

d) a Mixed-Use Property, provided that the mixed-use represents a legal, permissible use of the Property under local zoning requirements, the Borrower occupies the Property as a principal residence, the Borrower is both the owner and operator of the commercial business located in the building, and the Property is primarily intended for residential use, or

e) any other single residence unit as to which good and merchantable title may be held or conveyed freely under law (including but not limited to manufactured housing).

Selling Guide - means the Insured's single family Selling Guide, as such guide existed at the time the Covered Loans were Delivered to the Insured.

Servicer - means that Person, other than a natural Person, that at a given time is servicing a Covered Loan (or acting as a master servicer, if subservicing is also involved) on behalf of the Insured and pursuant to the Servicing Guide and any applicable delegation of authority that the Insured may have made to the Servicer to perform loss mitigation without the prior approval of the Insured. Actions required by this Policy to be performed by the Insured may, at the option of the Insured, be performed by a Servicer. The Servicer acts on behalf of the Insured in performing acts under this Policy.

Servicing Fee - means that portion of the contract rate of interest, as such contract rate is stated in the Covered Loan (or as otherwise subject to Modification in accordance with the Servicing Guide, as provided in Article III.(c) (Representations and Warranties of the Insured)), which is retained by the Servicer of the Covered Loan to compensate it for its responsibilities and actions as Servicer of the Covered Loan.

Seriously Delinquent Loan – means a Covered Loan that is three (3) months or more in Default.

Servicing Guide - means: (a) the Insured's single family Servicing Guide, as such guide currently exists or as it may be periodically amended by announcement, lender letter, notice, or other Servicer communication, for general application to single-family loans serviced by all of the Insured's servicers; and (b) any exceptions, pilots, or variances to the Servicing Guide authorized by the Insured.

Set-up File - means the initial Monthly Servicing Report.

Termination Date - means the date on which this Policy terminates as specified on the Declarations Page of this Policy, or as effected in Article VIII (Cancellation).

Third Party Sale – means

a) a sale of a Property arranged by the Servicer and/or by the Borrower, and approved by the Insured or by the Servicer on behalf of the Insured pursuant to a delegation of authority from the Insured, prior to foreclosure, or

b) a foreclosure or trustee's sale of a Property to a third-party at a price equal to or

greater than the minimum bid established and submitted by the Servicer, or

c) a sale of a Covered Loan by the Insured to a third-party.

Total Current Principal Balance – means the sum of the Current Principal Balance of all Covered Loans.

Total Seriously Delinquent Principal Balance – means the sum of the Current Principal Balance of all Seriously Delinquent Loans.

Total Liquidated Principal Balance – means the sum of the unpaid principal balance of all Liquidated Covered Loans as of their respective dates of Default.

Total Initial Principal Balance – means the sum of the Initial Principal Balance of all Covered Loans, as stated on the Declarations Page of this Policy.

UPB - means unpaid principal balance.

Pronouns, when used in this Policy, shall mean the singular or plural, masculine or feminine, as the context requires.

EXHIBIT A

Form of Monthly Servicing Report/Notice of Claim

POSITION	FIELD NAME	TYPE	MAX LENGTH
1	REFERENCE POOL ID	NUMERIC	9(4)
2	LOAN IDENTIFIER	NUMERIC	9(10)
3	MONTHLY REPORTING PERIOD	DATE	MMYYYY
4	ORIGINATION CHANNEL	ALPHA-NUMERIC	X(1)
5	SELLER NAME	ALPHA-NUMERIC	X(50)
6	SERVICER NAME	ALPHA-NUMERIC	X(50)
7	MASTER SERVICER	ALPHA-NUMERIC	X(10)
8	ORIGINAL INTEREST RATE	NUMERIC	9(2).9999
9	CURRENT INTEREST RATE	NUMERIC	9(2).9999
10	ORIGINAL UPB	NUMERIC	9(10).99
11	UPB AT ISSUANCE	NUMERIC	9(10).99
12	CURRENT ACTUAL UPB	NUMERIC	9(10).99
13	ORIGINAL LOAN TERM	NUMERIC	9(3)
14	ORIGINATION DATE	DATE	MMYYYY
15	FIRST PAYMENT DATE	DATE	MMYYYY
16	LOAN AGE	NUMERIC	9(3)
17	REMAINING MONTHS TO LEGAL MATURITY	NUMERIC	9(3)
18	ADJUSTED MONTHS TO MATURITY	NUMERIC	9(3)
19	MATURITY DATE	DATE	MMYYYY
20	ORIGINAL LOAN TO VALUE RATIO (LTV)	NUMERIC	9(3)
21	ORIGINAL COMBINED LOAN TO VALUE RATIO (CLTV)	NUMERIC	9(3)
22	NUMBER OF BORROWERS	NUMERIC	9(2)
23	ORIGINAL DEBT TO INCOME RATIO	NUMERIC	9(2).99
24	BORROWER CREDIT SCORE AT ORIGINATION	NUMERIC	9(3)
25	CO-BORROWER CREDIT SCORE AT ORIGINATION	NUMERIC	9(3)
26	FIRST TIME HOME BUYER INDICATOR	ALPHA-NUMERIC	X(1)
27	LOAN PURPOSE	ALPHA-NUMERIC	X(50)
28	PROPERTY TYPE	ALPHA-NUMERIC	X(10)
29	NUMBER OF UNITS	NUMERIC	9(1)
30	OCCUPANCY TYPE	ALPHA-NUMERIC	X(10)
31	PROPERTY STATE	ALPHA-NUMERIC	X(2)
32	METROPOLITAN STATISTICAL AREA	NUMERIC	9(5)
33	ZIP CODE SHORT	NUMERIC	9(3)
34	PRIMARY MORTGAGE INSURANCE PERCENT	NUMERIC	9(3).99
35	PRODUCT TYPE	ALPHA-NUMERIC	X(3)
36	PREPAYMENT PREMIUM MORTGAGE FLAG	ALPHA-NUMERIC	X(1)
37	INTEREST ONLY INDICATOR	ALPHA-NUMERIC	X(1)
38	FIRST PRINCIPAL AND INTEREST PAYMENT DATE FOR INTEREST ONLY PRODUCTS	DATE	MMYYYY
39	MONTHS TO AMORTIZATION FOR INTEREST ONLY PRODUCTS	NUMERIC	9(3)

40	CURRENT LOAN DELINQUENCY STATUS	ALPHA-NUMERIC	X(2)
41	LOAN PAYMENT HISTORY	ALPHA-NUMERIC	X(48)
42	MODIFICATION FLAG	ALPHA-NUMERIC	X(1)
43	MORTGAGE INSURANCE CANCELLATION INDICATOR	ALPHA-NUMERIC	X (2)
44	ZERO BALANCE CODE	ALPHA-NUMERIC	X(3)
45	ZERO BALANCE EFFECTIVE DATE	DATE	MMYYYY
46	UPB AT THE TIME OF REMOVAL FROM THE REFERENCE POOL	NUMERIC	9(10).99
47	REPURCHASE DATE	DATE	MMYYYY
48	SCHEDULED PRINCIPAL CURRENT	NUMERIC	9(10).99
49	TOTAL PRINCIPAL CURRENT	NUMERIC	9(10).99
50	UNSCHEDULED PRINCIPAL CURRENT	NUMERIC	9(10).99
51	LAST PAID INSTALLMENT DATE	DATE	MM/01/YYYY
52	FORECLOSURE DATE	DATE	MM/01/YYYY
53	DISPOSITION DATE	DATE	MM/01/YYYY
54	FORECLOSURE COSTS	NUMERIC	9(10).99
55	PROPERTY PRESERVATION AND REPAIR COSTS	NUMERIC	9(10).99
56	ASSET RECOVERY COSTS	NUMERIC	9(10).99
57	MISCELLANEOUS HOLDING EXPENSES AND CREDITS	NUMERIC	9(10).99
58	ASSOCIATED TAXES FOR HOLDING PROPERTY	NUMERIC	9(10).99
59	NET SALES PROCEEDS	NUMERIC	9(10).99
60	CREDIT ENHANCEMENTS PROCEEDS	NUMERIC	9(10).99
61	REPURCHASES MAKE WHOLE PROCEEDS	NUMERIC	9(10).99
62	OTHER FORECLOSURE PROCEEDS	NUMERIC	9(10).99
63	MODIFICATION-RELATED NON-INTEREST BEARING UPB	NUMERIC	9(10).99
64	PRINCIPAL FORGIVENESS AMOUNT	NUMERIC	9(10).99
65	ORIGINAL LIST START DATE	DATE	MM/01/YYYY
66	ORIGINAL LIST PRICE	NUMERIC	9(10).99
67	CURRENT LIST START DATE	DATE	MM/01/YYYY
68	CURRENT LIST PRICE	NUMERIC	9(10).99
69	BORROWER CREDIT SCORE AS OF THE AT-ISSUANCE DATE	NUMERIC	9(3)
70	CO-BORROWER CREDIT SCORE AS OF THE AT-ISSUANCE DATE	NUMERIC	9(3)
71	BORROWER CURRENT CREDIT SCORE	NUMERIC	9(3)
72	CO-BORROWER CURRENT CREDIT SCORE	NUMERIC	9(3)
73	MORTGAGE INSURANCE TYPE	NUMERIC	9(1)
74	SERVICING ACTIVITY INDICATOR	ALPHA-NUMERIC	X(1)
75	CURRENT PERIOD MODIFICATION LOSS AMOUNT	NUMERIC	9(10).99
76	CUMULATIVE MODIFICATION LOSS AMOUNT	NUMERIC	9(10).99
77	CURRENT PERIOD CREDIT EVENT NET GAIN OR LOSS	NUMERIC	9(10).99
78	CUMULATIVE CREDIT EVENT NET GAIN OR LOSS	NUMERIC	9(10).99
79	SPECIAL ELIGIBILITY PROGRAM	ALPHA-NUMERIC	X(1)
80	FORECLOSURE PRINCIPAL WRITE-OFF AMOUNT	NUMERIC	9(10).99
81	RELOCATION MORTGAGE INDICATOR	ALPHA-NUMERIC	X(1)
82	ZERO BALANCE CODE CHANGE DATE	DATE	MMYYYY
83	LOAN HOLDBACK INDICATOR	ALPHA-NUMERIC	X(1)

84	LOAN HOLDBACK EFFECTIVE DATE	DATE	MMYYYY
85	DELINQUENT INTEREST	NUMERIC	9(10).99
86	PROPERTY VALUATION METHOD	ALPHA-NUMERIC	X(1)
87	HIGH BALANCE LOAN FLAG	ALPHA-NUMERIC	X(1)
88	ARM ≤ 5 YR FLAG	ALPHA-NUMERIC	X(1)
89	ARM PRODUCT TYPE	ALPHA-NUMERIC	X(100)
90	MONTHS UNTIL FIRST PAYMENT RESET	NUMERIC	9(4)
91	MONTHS BETWEEN SUBSEQUENT PAYMENT RESETS	NUMERIC	9(4)
92	INTEREST RATE CHANGE DATE	DATE	MMYYYY
93	PAYMENT CHANGE DATE	DATE	MMYYYY
94	ARM INDEX	ALPHA-NUMERIC	X(100)
95	ARM CAP STRUCTURE	ALPHA-NUMERIC	X(10)
96	INITIAL INTEREST RATE CAP	NUMERIC	9(2).9999
97	PERIODIC INTEREST RATE CAP	NUMERIC	9(2).9999
98	LIFETIME INTEREST RATE CAP	NUMERIC	9(2).9999
99	MARGIN	NUMERIC	9(2).9999
100	BALLOON INDICATOR	ALPHA-NUMERIC	X(1)
101	PLAN NUMBER	NUMERIC	9(4)
102	BORROWER ASSISTANCE PLAN	ALPHA-NUMERIC	X(1)
103	HLTV	ALPHA-NUMERIC	X(1)
104	DEAL NAME	ALPHA-NUMERIC	X(200)
105	REPURCHASE MAKE WHOLE PROCEEDS FLAG	ALPHA-NUMERIC	X(1)
106	ALTERNATIVE DELINQUENCY RESOLUTION	ALPHA-NUMERIC	X(1)
107	ALTERNATIVE DELINQUENCY RESOLUTION COUNT	NUMERIC	9(3)
108	TOTAL DEFERRAL AMOUNT	NUMERIC	9(10).99
109	PAYMENT DEFERRAL MODIFICATION EVENT INDICATOR	ALPHA-NUMERIC	X(1)
110	INTEREST BEARING UPB	NUMERIC	9(10).99
111	ORIGINATION CLASSIC FICO	NUMERIC	9(3)
112	ISSUANCE CLASSIC FICO	NUMERIC	9(3)
113	CURRENT CLASSIC FICO	NUMERIC	9(3)
114	ORIGINATION VANTAGESCORE 4.0	NUMERIC	9(3)

Original UPB, as well as UPB at Issuance and Current Actual UPB to the extent reported in a Monthly Servicing Report made available during the first six (6) months from the Loan Origination Date, have been rounded.

EXHIBIT B

Loss Calculation Example

Third-Party Sales and REO Sales	
Original Value	$ 280,000
Coverage Effective Date LTV	90%
Initial Principal Balance	$ 252,000
Default Amount	$ 248,000
Net Default Interest	$ 15,000
Advances	$ 4,500
MI and other credits*	$ (78,950)
Net Proceeds of Sale	$ (170,000)
Loss-on-Sale Calculation	$ 18,550
Loss	**$ 18,550**
Amount of Loss included in Aggregate Losses	$ 18,550

*Including estimated amounts that would have been received had a claim been payable under a policy of primary mortgage guaranty insurance