EXHIBIT A

Memorandum of Understanding between Members of the Mortgage Insurance Companies of America and the Housing Policy Council Regarding the Consideration of Primary Mortgage Insurance in the Proposed NPV Test for Loan Modifications

In order to make every effort possible to avoid preventable foreclosures the Mortgage Insurance Companies of America (MICA) and the Servicer Member Companies of the Housing Policy Council have reached a consensus opinion on the use of Net Present Value (NPV) models in the loan modification process.

- No borrower will be excluded from consideration for a loan modification based on the use or application of an NPV model. Instead, all borrowers will have the opportunity to be considered for a modification. While not eliminating the discrimination against borrowers who have primary mortgage insurance (MI) versus those that don't, this approach reduces this differentiation. The required borrower documentation will be collected and evaluated by the servicer. Then the NPV model will be run, including the expected primary MI claim benefits solely to calculate the investor's potential net loss – not as a deciding factor on approval of the modification.

- If the cost of the modification is lower than the investor's net loss and the borrower qualifies for the modification the investor bears the cost of the modification (see Scenario #1 below). This streamlines the process for the servicer.

- If the cost of the modification is higher than the investor's net loss the proposed modification will be sent to the appropriate MI company to consider what financial contribution might create a successful modification. If the MI company approves the modification the investor contributes to the cost of the modification up to their potential net loss, and the MI company would contribute to the cost of the modification via a claim advance in an amount not to exceed the maximum claim amount (see Scenario #2 below). A claim advance made by an MI company will be recoverable by the MI company by reducing any subsequent claim payment. The MI company will have the discretion to approve the modification and the amount of its contribution to the cost of modification.

- If the modification cost is well in excess of the net loss to the investor in foreclosure the modification will not be automatically rejected as is commonly done today. These cases will also be referred to the MI company to determine what financial contribution might create a successful borrower modification. (see Scenario #3 below). The investor will contribute to the cost of the modification up to their net loss, and the MI company, if the modification is approved, would contribute an amount not to exceed the maximum claim amount. The MI company will have the discretion to approve the modification and the amount of its contribution to the cost of modification. This approach expands the universe of borrowers considered for modifications.

- This consensus approach requires that there is a process in place so servicers refer the borrowers falling into Scenario 2 and 3 to the MI company for consideration.

- This consensus approach also requires a consistent and auditable methodology to accurately calculate the NPV with documented and verified calculation inputs.

- This approach will require that the servicers and MI companies collaborate on the operational details in order to implement this solution successfully. To this end, an MI company/Servicer subcommittee will be formed to finalize the operational details and streamline the process.

- Individual MI companies will determine suitable delegation of authority to be granted to the servicer in order to further streamline the approval process.

Nothing herein shall be construed as a waiver of any rights or obligations of an MI company under the applicable MI master policy.

Assumptions	Scenario 1	Scenario 2	Scenario 3
Loan size= $300,000 REO return= $220,000 Gross Loss= $80,000 MI coverage= $50,000 Investor net Loss= $30,000	Modification cost= $20,000 Modification decision=yes Investor burden= $20,000 MI burden= $0	Modification cost= $40,000 Modification decision= yes Investor burden= $30,000 MI burden= $10,000	Modification cost= $90,000 Modification decision= no Investor burden= $30,000 (from FC) MI burden= $50,000 (from FC)

These scenarios are for example purposes only and each borrower modification and the amount of any MI company contribution will be considered based on the individual borrower circumstances and individual MI company guidelines.

Process Flow for Private MI Loans Failing NPV Test

1 Loan Fails NPV Test:

Servicer applies NPV "waterfall" test and the Investor cost to modify is greater than the investors estimated net cost to foreclose including MI claim payment

2 Private MI Second Look:

Loan referred to appropriate Private MI Company for "Second Look". MI to determine why NPV test failed and how a "pass" can be achieved with MI financial assistance

a. Complete a cash flow analysis of borrowers entire financial situation including total consumer debt, other financial obligations and living expenses

b. Utilize expanded criteria and MI support to increase successful modifications

3 MI Financial Contribution:

Each MI company, at their sole discretion, to determine appropriate financial contribution in the form of a claim advance that can bring modification parameters into an affordable range

a. Examples of MI assistance include, but are not limited to:
- Borrower payment subsidy
- Bring arrearages current

b. MI submits alternative loan modification proposal including Claim Advance to servicer for final approval.
- This proposal effectively lowers the NPV cost to modify and loan now passes test

4 MI Company Facilitates Other Alternatives to Foreclosure When Immediate Modification is Not Viable:

MI Company supplements the efforts of the servicer by providing bandwidth and expertise in analyzing the file to determine if there are other viable alternatives for foreclosure avoidance. Examples include:

a. Temporary Forbearance: For example, a borrower may need additional time to find new employment or resolve unexpected medical expenses

b. Short Sale: Work with Borrower and Servicer to sell property at a market value less than the amount owed

c. Deed in Lieu: In certain circumstances, the borrower may avoid foreclosure by conveying title to the property in full satisfaction of the debt