

## **EXHIBIT B**

### **LIMITED DELEGATION OF MODIFICATION AUTHORITY ON NON-GSE LOANS UNDER HAMP**

This limited delegation of authority for loan modifications of non-GSE loans with private mortgage insurance (“Limited Delegation”) is granted as of May 29, 2009 by Republic Mortgage Insurance Company (“MI”) to the named insured (“Insured”) and servicer of Loans (“Servicer”) under a primary mortgage insurance policy issued by such MI (the “Policy”).

This Limited Delegation must be used in conjunction with the Non-GSE Modification Process (the “Modification Process”) and the exhibits thereto: (i) the Memorandum of Understanding between Members of the Mortgage Insurance Companies of America and the Housing Policy Council with the US Department of Treasury set forth as Exhibit A, (ii) the MICA HAMP Reporting Template set forth as Exhibit C, and (iii) the Mortgage Insurance “Second Look” Request Form set forth as Exhibit D. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the applicable Policy.

Subject to the limitations and conditions herein and notwithstanding any provision of the Policy to the contrary, MI delegates to Insured/Servicer loss mitigation authority to the extent set forth in this Limited Delegation:

#### **1. Delegation for Non-GSE Loans Under HAMP**

MI hereby delegates authority to approve or consent to modifications of Loans insured under a Policy, pursuant to the parameters and terms of the United States Department of Treasury’s Home Affordability and Stability Plan for modification of loans announced on March 4, 2009 (“HAMP”), which can be found at [www.financialstability.gov](http://www.financialstability.gov)., in order to allow mortgage servicers to increase their capacity to stem the rising tide of foreclosures and to mitigate losses by offering borrowers modified loan terms.

#### **2. Terms of Delegation**

- a. This Limited Delegation shall apply to Loans that meet the HAMP program requirements set forth in Paragraph 1, above, or as the program shall change in the future and that are insured by MI pursuant to a Policy. This Limited Delegation does not apply to Loans under a Policy that are either Fannie Mae

or Freddie Mac owned or securitized or which the investor of such Loans otherwise prohibits participation in this Limited Delegation.

- b. MI hereby delegates the authority to approve or consent to modifications of any and all Loans on behalf of the MI made in accordance with the terms of HAMP (including, but not limited to, the net present value (“NPV”) and “waterfall” tests and sequence of qualification steps) whether the result is NPV positive or if the investor of such Loan otherwise agrees to the modification within the HAMP parameters.
- c. This Limited Delegation does not extend to a determination of any pre-claim advance or any other payments by MI. Servicer shall use the NPV calculation and “waterfall” tests in HAMP and must refer any Loan to MI for the “Second Look” if such Loan fails such tests and the investor on the Loan determines not to modify such Loan under any alternative modification program.
- d. This Limited Delegation is in addition to any pre-existing delegation of authority between the MI and the Servicer under a Policy and shall be construed so as to provide the maximum delegation of authority to conduct loss mitigation activity offered by any delegation or combination of delegations.

### **3. Other Terms of this Limited Delegation**

- a. As a condition of this Limited Delegation, Servicer shall report to MI each Loan that is modified pursuant to HAMP using the reporting requirements set forth in Exhibit C.
- b. Subject to compliance with the reporting requirements set forth in Exhibit C and payment of any recalculated premium, as set forth below, coverage on the unpaid principal balance (“UPB”) will continue after modification of the Loan pursuant to HAMP, even if the insured principal, including capitalized interest, is greater than the principal at the coverage effective date, provided that written notice is given to MI by Servicer within 30 days of the effective date of the modification.
- c. Subject to compliance with the reporting requirements set forth in Exhibit C and payment of any recalculated premium contained herein, MI agrees that upon a default of a Loan subsequent to modification under HAMP, the amount of any claim as calculated under the applicable Policy shall include in addition to the amounts listed in the Policy (i) the amount of delinquent interest capitalized at the time of the HAMP modification; (ii) any incurred and paid expenses claimable under the Policy; and (iii) any part of principal, payment of which was deferred pursuant to the HAMP modification. Interest includable in the claim amount from and after the effective date of modification will be calculated at the modified interest rate. That portion of

any claim or expense not claimable under the Policy is expressly excluded from (i), (ii), and (iii) above. MI shall also not be liable for, and coverage shall not extend to, any loss or claim arising from the Insured/Servicer's noncompliance or negligence in the performance of its duties.

- d. MI agrees that the percentage premium rate payable to MI on a Loan prior to modification under HAMP shall remain the same after modification. If the premium had been remitted on a monthly basis, the monthly premium payment will be no higher than the amount equal to the premium rate multiplied by the total modified UPB, including any deferred/balloon portion and any capitalized delinquent interest (and divided by 12, if the premium rate is an annual rate). If the premium had been remitted on an annual basis, the annual premium payment will be no higher than the amount equal to the annual premium rate multiplied by the UPB, including any deferred/balloon portion and any capitalized interest. If premium was in the form of a single payment, MI agrees that it will not bill Servicers for, or make claim adjustments or otherwise attempt to recover, a supplemental premium calculated on any amount of the UPB in excess of the original principal balance.
- e. If a HAMP Loan modification is consummated that includes the deferral of a portion of the original UPB to a balloon payment due at maturity, MI will not exercise any balloon payment exclusion due to this modification.
- f. The Insured's obligation to diligently pursue Appropriate Proceedings, as set forth in the Policy shall be waived by MI to the extent that the Servicer diligently pursues a modification pursuant to HAMP. Such waiver shall not apply, however, to any Loan after modification under the HAMP.

#### **4. Term**

This Limited Delegation shall remain in effect until the earlier of: (a) the date that HAMP shall terminate, currently December 31, 2012; or (b) the date that this Limited Delegation is terminated by MI upon no less than forty-five (45) days prior notice which shall be posted on the MI website, [www.rmic.com](http://www.rmic.com) (the "Termination Effective Date"). Termination shall not be effective as to any Loan for which the first payment during the required HAMP trial period has been received by Servicer prior to the Termination Effective Date.

#### **5. Reservation of Rights**

Other than those rights expressly delegated by MI under this Limited Delegation, MI reserves any and all available rights hereunder, and under the terms of the Policy.