

Servicer Alert 02-09
April, 2009

Home Affordable Modification Program (HAMP) Requirements

This Servicer Alert is intended to provide default servicers information concerning the submission and reporting requirements for loan modification activity on Radian-insured loans.

New submission requirements and procedures have been put in place to correspond with the Treasury's Home Affordable Modification Program (HAMP). HAMP aims to make payments more affordable through loan modifications for homeowners at risk of foreclosure for both GSE loans, as well as non-GSE loans for servicers complying with Treasury guidelines.

Reporting Requirements:

To facilitate modifications through HAMP, we have included additional information relating to the program on our website at www.radian.biz/certmods/NonPerforming.aspx. This website provides information related to HAMP and Radian-related documents, including a link to the updated modification reporting form, which has been enhanced for this program. Please be advised that these reporting requirements are applicable to all modifications reported to Radian, not just for HAMP. In addition, the email address for reporting of all Radian-insured modification activity has been changed to: certmods@Radian.biz.

The Treasury has established the following website www.hmpadmin.com/index.html to assist with program guidelines and forms required by HAMP.

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Mortgage Insurer Review:

As part of Radian's participation in HAMP, we provide a second look financial review on Radian-insured loans that did not qualify for a modification based upon the NPV cost to modify. Radian reviews the loans on a case-by-case basis to determine if there are any additional Loss Mitigation options available.

Currently, the *Modification Waterfall* is utilized to determine the optimal method to achieve a housing debt-to-income at 31%. This process reviews, in order, the following items:

- Interest rate reduction
- Term extension
- Principal forbearance

If the servicer receives an NPV-negative result, Radian, as the mortgage insurer on the loan, will provide a second look financial review for potential modification options.

For more information, feel free to contact your claims representative.

Thank you.

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Please contact Brian DiMarco at 1-215-231-1920 (Brian.DiMarco@radian.biz) with any questions concerning this communication.

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Loss Management