



October 28, 2010

Bulletin 08-2010 Notice Regarding Foreclosure Process Issues

Recent concerns related to the foreclosure processes followed by some Servicers have led to delays in processing current foreclosures and moratoria on new foreclosures in many states. These issues could affect pending and future Claims on PMI insured Loans, as well as previously paid Claims. Accordingly, this notice is intended to remind Servicers of PMI's expectations with respect to the acquisition of the Borrower's Title to the Property securing insured Loans. (Capitalized terms in this notice have the meaning attributed to them in the applicable PMI master policy unless otherwise indicated.)

Under PMI's Policies, the Insured and its Servicer are required to follow customary servicing standards applicable to delinquent Loans. A failure to do so entitles PMI to adjust the Claim Amount. Additionally, the Insured is required to obtain the Borrower's Title to the Property as a condition precedent to PMI's obligation to pay an Insurance Benefit with respect to a Loan.

With respect to pending and future Claims, PMI reserves the right to investigate the circumstances related to the acquisition of the Borrower's Title. Where necessary and appropriate, PMI may require that the Servicer provide additional documents or information to permit it to fully evaluate the Claim. This process could result in delays in the payment of Insurance Benefits in some cases, or curtailments or denials of payments in others.

With respect to previously paid Claims, if PMI determines at any time that the transfer of the Borrower's Title was improper or that the transfer has been reversed resulting in the Borrower's Title to the Property reverting to the Borrower either voluntarily or as a result of a legal process, PMI reserves all of its rights including the right to require that the Insurance Benefit be returned to it, or to offset the amount of the Insurance Benefit against the payment of future Insurance Benefits, to the full extent permitted by applicable law.

For additional information or questions, please contact PMI's Claims Department at 800.795.4764 or pmiclaims@pmigroup.com.