

PMI CUSTOMARY SERVICING STANDARDS GUIDE

Frequently Asked Questions

PMI Mortgage Insurance Co. (PMI) is issuing a Customary Servicing Standards Guide (the “Guide”) to support Insured/Servicer loss mitigation efforts and expedite default loan servicing by providing guidance on PMI’s expectations for servicing according to customary standards. PMI continues to settle claims in accordance with the terms and conditions of the applicable master policy, and adherence to the procedures outlined in the Guide will facilitate prompt and efficient claim settlement for our customers.

In general, the Guide provides a roadmap of required procedures to be followed by Insureds/Servicers for various transactions, including default reporting, early delinquency intervention, retention workouts, liquidation alternatives, etc. This Guide is consistent with PMI’s efforts to promote sustainable homeownership and help keep borrowers in their homes.

Q1 What areas of servicing does the Guide address?

A1 The Guide addresses loss mitigation and related default loan servicing issues, including borrower outreach efforts, solicitation of a workout, and execution of workout opportunities, as well as pre-foreclosure sales, deeds-in-lieu, claims, etc. Please refer to the **Guide** for more information.

Q2 What resources did PMI consider in developing the Guide?

A2 The Guide is based on the terms and conditions of PMI’s master policies, and is consistent with customary servicing standards as embodied in the guidelines and directives of **Fannie Mae** and **Freddie Mac**, as well as the U.S. Department of the Treasury’s **Making Home Affordable** program. PMI also considered RESPA and TILA requirements, and guidance provided by the American Securitization Forum.

Q3 Does publication of the Guide change the claims process?

A3 No. The Guide outlines PMI’s expectations regarding the processes and documentation required to demonstrate that the Insured/Servicer has followed customary servicing practices.

Q4 What if an investor has a current policy and/or procedure that conflicts with the Guide?

A4 We believe the Guide is consistent with most investors’ servicing policies and procedures and will have minimal impact to most Servicers’ current processes. PMI expects Insureds/Servicers to substantially comply with the Guide. If an Insured/Servicer believes that it is subject to a restriction that conflicts with the Guide, PMI encourages the Insured/Servicer to contact lossmitQC@pmigroup.com to discuss the issue.

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Q5 What happens if an Insured/ Servicer provides documentation that is either late or insufficient?

A5 An Insured/Servicer may experience a longer processing time or potential claim curtailment or denial.

Q6 What could cause curtailment or denial of a claim payment related to loss mitigation?

A6 Under the terms of PMI's master policies, Insureds/Servicers are required to mitigate and limit loss by adhering to customary servicing standards applicable to delinquent loans. This may include, but is not limited to, Insureds/Servicers' efforts to:

- Perform timely and adequate borrower outreach
- Explore and execute on all opportunities for retention and/or liquidation workouts
- Obtain borrower financial participation in the loss, when appropriate

Failure to comply with customary servicing standards may result in curtailment or denial of a claim.

Q7 How will requests for reconsideration be handled?

A7 PMI will determine whether or not a request for reconsideration merits reversal of a prior claim decision based on new information and additional documentation submitted in support of the reconsideration request. In order to initiate processing of a request for reconsideration, the Insured/ Servicer should submit the request for reconsideration with all supporting reasons and documentation to pmiclaims@pmigroup.com, addressed to the Claims Specialist listed on the Explanation of Benefits letter (EOB). For additional information, call the telephone number listed on the EOB.

Q8 Will publication of this Guide cause PMI to review claims that have already been settled?

A8 No. However, PMI reserves all of its rights under its master policies regarding loss mitigation and claims settlement.



Integral to Homeownership™

800.966.4764 (4PMI)
lossmitQC@pmigroup.com
pmi-us.com