



Date: March 24, 2014

Underwriting Eligibility Expansion and New Split Premium Rate Card

Effective Date: May 5, 2014

Essent is pleased to announce updates to our Underwriting Guidelines and a new Split Premium Rate Card. **Guideline changes** will be effective for MI applications received on or after May 5, 2014. **Rate changes** will be effective for commitments issued on or after May 5, 2014, or as otherwise indicated in the Rate Availability Chart. Details of these changes are outlined below.

Updated Guideline Summaries and the new Split Premium Rate Card are attached with this announcement. The updated Underwriting Guideline Manual will be available May 5, 2014 on Essent's Credit Union web page at http://essent.us/index.php/home/lenders/credit_union-rates-guidelines/.

Highlights of Changes

» **Clear2Close® Eligibility Expansion**

The Clear2Close® Guideline Summary for loans with a DU Approve/Eligible or LP Accept/Eligible response has been updated to reflect the following:

1. Minimum FICO has been decreased to 620 from 660
2. Underwriting guideline overlay for Non-Permanent Resident Aliens is eliminated
3. Underwriting guideline overlay for Borrower Contributions is eliminated and now aligns with the minimum allowable per the DU/LP approval. The borrower's minimum contribution may come from gift funds per Agency guidelines.

» **Loan Amounts > FHFA Max Eligibility Expansion**

The Loan Amounts > FHFA Max Guideline Summary has been updated to reflect the following:

1. Maximum loan amount is increased to \$850,000 from \$650,000
2. Underwriting guideline overlay requiring a Non-Delegated submission is eliminated
3. Maximum Debt-To-Income (DTI) ratio is increased to 45% from 41% with a minimum 740 FICO
4. Eligibility is expanded to include first-time homebuyers with a minimum of 12 months cash reserves (PITI)
5. For clarification, interim construction financing has been added under Ineligible Attributes

» **Manual Underwriting Eligibility Expansion**

The Manual Underwriting Guideline Summary has been updated to reflect the following:

1. Underwriting guideline overlays for Non-Permanent Resident Aliens and Construction-to-Permanent are eliminated
2. New guidance has been added regarding Borrower Contributions for a Primary Residence:
 - » The borrower's minimum contribution may come from gift funds per Agency guidelines with: 1-unit, minimum 740 FICO, maximum 41% DTI, Fixed rate/payment or ARM \geq 5 years, no down payment assistance, subordinate financing, or grants with repayment



Date: March 24, 2014

» **Affordable Housing Program Eligibility Expansion**

The Affordable Housing Guideline Summary has been updated to reflect the following:

1. Combined Loan-To-Value (CLTV) is increased to 105% from 100%
2. Eligibility for DU Approve/LP Accept transactions is expanded to include a minimum 620 FICO
3. Eligible programs include: Fannie Mae MyCommunityMortgage® (MCM) or HFA Preferred, Freddie Mac Home Possible®, and other Housing Finance Agency (HFA) or approved Affordable Housing programs
4. Underwriting guideline overlay requiring a Non-Delegated submission is eliminated
5. Both the Credit and Debt-to-Income Ratio requirements are modified to align with the DU/LP findings/ feedback for DU Approve/Eligible or LP Accept/Eligible loans
6. The Parent Gift Feature is eliminated and new guidance has been added regarding Borrower Contributions as follows:
 - » DU Approve/Eligible or LP Accept/Eligible loans: Borrower Contributions are modified to align with the minimum allowable per the DU/LP approval
 - » All other loans-
 - 1-unit
 - Lesser of \$1,000 or 1%; OR
 - Borrower's minimum contribution may come from gift funds per Agency guidelines with: minimum 740 FICO, maximum 41% DTI, no down payment assistance, subordinate financing, or grants with repayment
 - 2-unit
 - 3% of borrower's own funds required
7. Area Median Income requirements are modified to align with the requirements of the applicable program

» **Submission Requirements for Loans with <3% Borrower Contribution**

Clear2Close®, Manual Underwriting, and Affordable Housing Program loans with <3% borrower contribution from their own funds are available for both Delegated and Non-Delegated submissions.

However, Delegated loans may only be submitted through the Essent Online MI Ordering System at this time, and must be properly identified by responding "Yes" to the question "Does the borrower have less than 3% of their own funds into the transaction?". This question will become available within the Essent Online MI Ordering System effective May 5th. Delegated submissions via LOS connectivity are not permitted at this time.

» **Submission Requirements for Affordable Housing Program**

Affordable Housing Program loans must be properly identified for both Delegated and Non-Delegated submissions in the Essent Online MI Ordering System by selecting the appropriate program from the enhanced "Affordable Housing" drop-down which will become available effective May 5th.



» **Underwriting Guideline Manual Updates**

The Underwriting Guideline Manual has been updated to reflect the following:

1. Eligible Borrowers (Section 3.1)-
 - » The requirement for specific documentation to verify the lawful status of the borrower has been eliminated
2. Minimum Borrower Contribution Requirements (Section 3.10)-
 - » Minimum borrower contribution requirements have been revised in alignment with this announcement
3. Premium Plans (Section 10.1)-
 - » Split Premiums have been added as an available plan with eligibility for financing of the upfront portion indicated under Financed Premiums

» **Rate Card Updates**

Essent's Rate Cards have been updated as outlined below:

1. A rate card for Split Premium rates is now available featuring low monthly rates combined with an upfront payment due at closing
 - » The upfront premium includes both a Non-Refundable and Refundable option
2. For Monthly and Single premium plans, standard rates will apply for:
 - » Loans with FICO <660
 - » Loan amounts >\$650,000

These rates can be found within Essent's standard Rate Cards or by using Essent's Rate Finder.

The new Split Premium Rate Card is attached for reference with this announcement. For current rate availability, please see the Rate Availability Chart that will be posted on March 31, 2014 to Essent's Credit Union web page at http://essent.us/index.php/home/lenders/credit_union-rates-guidelines/.

If you have any questions regarding these changes and updates, please contact your Essent account representative.

For loans with a DU Approve/Eligible or LP Accept/Eligible response, the following Essent overlay applies:

» Manufactured Housing ineligible

LOAN PURPOSE	PROPERTY TYPE	MAX. LTV/CLTV	MAX. LOAN AMOUNT	MIN. FICO	MAX. DTI
PRIMARY RESIDENCE					
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	97	\$417,000 AK & HI: \$625,500	680	Per DU/LP Approval
		95	\$417,000 AK & HI: \$625,500	620	
		90	\$625,500 (FHFA Max)		
	2-unit	95	\$533,850 AK & HI: \$800,775		
Cash-Out Refinance (Max. Cash-Out Amount of \$150,000)	Single Family/Condo/Co-op	85	\$417,000 AK & HI: \$625,500		
Construction-to-Permanent	Single Family	95	\$417,000 AK & HI: \$625,500		
		90	\$625,500 (FHFA Max)		
SECOND HOME					
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	90	\$417,000 AK & HI: \$625,500	620	Per DU/LP Approval
INVESTMENT PROPERTY (6 months PITI reserves required)					
Purchase	Single Family	85	\$417,000	720	Per DU/LP Approval

NOTE: The minimum income/asset documentation requirements as per the DU/LP findings/feedback are permitted. All DU findings and LP feedback certificate conditions must be satisfied and the DU/LP decision must be present in the file. Loans with lender-negotiated guideline waivers/variances are deemed to be outside of Agency Selling Guide requirements and are thus ineligible.

LOAN PURPOSE	PROPERTY TYPE	MAX. LTV/CLTV	MAX. LOAN AMOUNT	MIN. FICO
PRIMARY RESIDENCE				
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	97	\$417,000 AK & HI: \$625,500	700
		95	\$417,000 AK & HI: \$625,500	660
		90	\$625,500 (FHFA Max)	700
	2-unit	95	\$533,850 AK & HI: \$800,775	680
Cash-Out Refinance	Single Family/Condo/Co-op	85	\$417,000 AK & HI: \$625,500	700
Construction-to-Permanent	Single Family	95	\$417,000 AK & HI: \$625,500	680
		90	\$625,500 (FHFA Max)	700
SECOND HOME				
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	90	\$417,000 AK & HI: \$625,500	700
INVESTMENT PROPERTY				
Purchase	Single Family	85	\$417,000	720

MANUAL UNDERWRITING PRODUCT ELIGIBILITY REQUIREMENTS

Manual Underwriting	Loans not scoring DU Approve/Eligible, LP Accept/Eligible, or not scored via DU/LP are deemed to be manual underwrites. Manually underwritten loans must meet the product eligibility criteria as outlined within this matrix and the eligibility standards as outlined within the Underwriting Guideline Manual.
Appraisal Requirements	Full Uniform Residential Appraisal Report only
Florida Condominiums	Non-delegated submissions only; Primary Residence; Purchase; Max. 90% LTV/CLTV; Min. 720 FICO; Max. DTI 41%
Debt-to-Income Ratio	Max. DTI 45%; Max. DTI 41% if FICO<700
Reserve Requirements	2 months PITI or the product required min.; Investment Property: 6 months PITI required
Borrower Contributions	Primary Residence: 3% of borrower's own funds required; OR Borrower's min. contribution may come from gift funds per Agency guidelines with: 1-unit; Min. 740 FICO; Max. 41% DTI; Fixed rate/payment or ARM≥5 yrs.; no down payment assistance, subordinate financing, or grants with repayment Second Home: 5% of borrower's own funds required Investment Property: 15% of borrower's own funds required
Loan Amounts Above \$417,000	Must meet area specific permanent high cost loan limit as set by FHFA
Cash-Out Refinance	Max. cash-out: \$150,000; temporary buydowns ineligible; ARMs with an initial fixed-rate period of <5 yrs. ineligible
ARMs	Min. initial fixed period: 3 yrs.; 3-yr. and 5-yr. ARMs qualify at the greater of the initial rate + 2% or the fully indexed rate; 7-yr. and 10-yr. ARMs qualify at the initial rate
Ineligible Properties	Manufactured housing; non-warrantable condominiums; condominium hotels (condo-tels); apartment/hotel conversions; model home leasebacks; vacant lots/land; time-share properties; homes unsuitable for year-round occupancy; unimproved land; earth, berm, dome, log and straw bale homes; working farms, orchards and ranches; student housing projects ("kiddie" condos); 3-4 units
Ineligible Products	Interest only; loans with scheduled or potential negative amortization; graduated payment mortgages
Non-Occupying Co-Borrower	Max. LTV/CLTV 95%; DTI based on occupant borrower's income/debt profile; Max. DTI 45%; Max. DTI 43% if FICO<700
Loan Representative FICO Score	Lower of two or middle of three repositories to determine each borrower's representative score; lowest representative score across all borrowers; min. of two valid credit scores must be obtained for each borrower; non-traditional/no credit score is ineligible

LOAN PURPOSE	PROPERTY TYPE	MAX. LTV/CLTV	MAX. LOAN AMOUNT	MIN. FICO
PRIMARY RESIDENCE				
Purchase or Rate/Term Refinance	Single Family/Condo/Co-op	90	>FHFA Max. to \$850,000	700

LOAN AMOUNTS > FHFA MAX. PRODUCT ELIGIBILITY REQUIREMENTS

Second Homes	Ineligible
Investment Property	Ineligible
Non-Retail	Eligible
Loan Programs	Fixed Rate; 5/1 ARM; 7/1 ARM; 10/1 ARM
Eligible Borrowers	U.S. Citizens; Permanent Resident Aliens; Non-Permanent Resident Aliens; Inter Vivos Revocable Trusts
Appraisal Requirements	Full Uniform Residential Appraisal Report only; Appraisal must be completed "as is," not subject to repair or completion
Florida Condominiums	Non-delegated submissions only; Purchase; Min. 720 FICO; Max. DTI 41%
Documentation Type	Full doc only; Alt Doc and all other streamline documentation is ineligible
Credit Requirements	<p>Mortgage Lates: 0 X 30 in last 12 months, 0 X 60 in the last 24 months; Installment/Revolving Lates: 0 X 60 in last 12 months; 1 X 60 in last 24 months; Judgments, Liens, Collections and Charge-Offs: must be paid off; disputed collections may remain open to Max. \$250 per account or \$1,000 in total; Borrowers with invalid or no credit bureau score: ineligible; Chap 7 & 11 Previous Bankruptcy: 4 yrs. since discharge (2 yrs. with documented extenuating circumstances); Chap 13 Previous Bankruptcy: 2 yrs. since discharge/4 yrs. since dismissal (2 yrs. with documented extenuating circumstances); Multiple Bankruptcy Filings in Past 7 Years: ineligible; Foreclosure: 5 yrs. since date of title transfer (3 yrs. with documented extenuating circumstances); Short Sale/Deed in Lieu: 4 yrs. since date of title transfer (2 yrs. with documented extenuating circumstances);</p> <p>Min. 3 traditional trade lines evaluated for at least 12 months for each borrower</p>
Finance Type	<p>Purchase, Rate & Term Refinance (refinances of previously modified loans are ineligible); Cash-Out Refinance ineligible Resubordination of existing financing is eligible</p> <p>Salaried/W-2 Borrowers: Past 2 yrs. W-2s or past 2 yrs. IRS tax transcripts; Most recent 30 days paystubs indicating year-to-date (YTD) earnings; Pre-funding verbal verification within 10 business days of closing; verification of business phone number and address, must be verified by an independent third party, document name and title of person providing verification Self-Employed Borrowers: 2 yrs. evidence of self-employment required; Most recent 2 yrs. personal and business federal income tax returns; Pre-funding verbal verification within 30 calendar days of closing; verification of the existence of the business, business phone number and address, must be verified by an independent third party, document name and title of person providing verification Capital Gains Income: 2 yrs. personal tax returns if no more than 30% of total income; 3 yrs. personal tax returns if greater than 30% of total income; 2 yr. average for qualification if tax returns evidence realized capital gains for last 2 yrs.; support for continuance for next 3 yrs.; verification of ownership & control of assets</p>
Income	
Debt-to-Income Ratio	Max. DTI 45%; Max. DTI 41% if FICO<740
Eligible Property Types	SFR; Condominiums; Cooperatives; Standard condo and cooperative project approval review required; Cooperatives only eligible in the states of CA, CT, IL, MA, MD, MI, MN, NJ, NY, PA, VA and D.C.
Qualification Rate	<p>Fixed Rate & 7/1 & 10/1 ARMs: Note Rate 5/1 ARM: Greater of the fully indexed fully amortized rate or Note Rate +2%</p>
Reserves	<p>6 months PITI required; First Time Homebuyer: 12 months PITI required; Two most recent monthly bank statements required to verify funds to close and reserves</p>
Borrower Contributions	5% of borrower's own funds required
Seller Contributions	Max. 3%
4506-T	All IRS Form 4506-T must be signed, completed and dated at application and at closing by all borrowers
Ineligible Properties	Manufactured housing; non-warrantable condominiums; condominium hotels (condo-tels); apartment/hotel conversions; model home leasebacks; vacant lots/land; time-share properties; homes unsuitable for year-round occupancy; unimproved land; earth, berm, dome, log and straw bale homes; >10 acres; working farms, orchards and ranches; student housing projects ("kiddie" condos); 2-4 units
Ineligible Products	Interest only; loans with scheduled or potential negative amortization; streamline refinances; interim construction financing; renovation loans; loans with terms greater than 30 years; graduated payment mortgages
Ineligible Attributes	Post-closed loans; non-occupant co-borrowers

Essent intends to insure a representative mix of a lender's overall mortgage insurance loan production, and will monitor the product mix on an ongoing basis to identify salient credit trends and to protect from potential adverse credit or geographic migrations.

NOTE: Reference the Essent Underwriting Guideline Manual for full details

LOAN PURPOSE	PROPERTY TYPE	MAX. LTV	MAX. CLTV	MAX. LOAN AMOUNT	MIN. FICO DU APPROVE/ LP ACCEPT	MIN. FICO MANUAL U/W
PRIMARY RESIDENCE						
Purchase or Rate/Term Refinance	Single Family/ Condo/Co-op	97	105	\$417,000 AK & HI: \$625,500	620	680
		95	105	\$417,000 AK & HI: \$625,500	620	660
	2-unit	95	105	\$533,850 AK & HI: \$800,775	620	660

AFFORDABLE HOUSING PRODUCT ELIGIBILITY REQUIREMENTS

Affordable Housing	Fannie Mae MyCommunityMortgage® (MCM) or HFA Preferred, Freddie Mac Home Possible®, other Housing Finance Agency (HFA) or approved Affordable Housing programs must meet the eligibility criteria as outlined within this matrix and the eligibility standards as outlined within the Underwriting Guideline Manual.
Submission Criteria	Applicable Affordable Program selection must be made in the Essent Online MI Ordering system
Loan Programs	Fixed Rate; 5/1 ARM; 7/1 ARM; 10/1 ARM 5-yr. ARMs qualify at the greater of the initial rate + 2% or the fully indexed rate; 7-yr. and 10-yr. ARMs qualify at the initial rate
Appraisal Requirements	Full Uniform Residential Appraisal Report only
Florida Condominiums	DU Approve/Eligible or LP Accept/Eligible: eligible without guideline overlays All other loans: Non-delegated submissions only; Purchase; Max. 90% LTV/CLTV; Min. 720 FICO; Max. 41% DTI
Documentation Type	DU Approve/Eligible or LP Accept/Eligible: min. income/asset documentation requirements as per the DU/LP findings/feedback All other loans: documentation requirements as per the Essent Underwriting Guideline Manual
Credit Requirements	DU Approve/Eligible or LP Accept/Eligible: as per the DU/LP findings/feedback All other loans: Min. 3 traditional trade lines evaluated for at least 12 months for each borrower
Non-Traditional Credit	Max. 95% LTV; Max. 41% DTI; 2-unit ineligible
Debt-to-Income Ratio	DU Approve/Eligible or LP Accept/Eligible: as per the DU/LP findings/feedback All other loans: Max. 45% DTI
Reserve Requirements	DU Approve/Eligible or LP Accept/Eligible: as per the DU/LP findings/feedback All other loans: 2 months PITI required
Borrower Contributions	DU Approve/Eligible or LP Accept/Eligible: as per the DU/LP findings/feedback All other loans: <ul style="list-style-type: none"> • 1-unit: <ul style="list-style-type: none"> » Lesser of \$1,000 or 1%; -OR- » Borrower's min. contribution may come from gift funds per Agency guidelines with: Min. 740 FICO; Max. 41% DTI; no down payment assistance, subordinate financing, or grants with repayment • 2-unit: <ul style="list-style-type: none"> » 3% of borrower's own funds required
Seller Contributions	Max. 3%
Subordinate Financing	Must meet Agency Community Second or Affordable Second guidelines
Area Median Income (AMI)	Loans must meet any Area Median Income requirements of the applicable program
Homebuyer Education	Required for first-time homebuyers if FICO<720 or CLTV>97%
Ineligible Products	Interest only; loans with scheduled or potential negative amortization; graduated payment mortgages; construction-to-permanent

NOTE: Reference the Essent Underwriting Guideline Manual for full details

Split Premiums

Purchase, Full Doc, Primary Residence

Upfront Option:		Fixed Rate ≥ 720						Fixed Rate 680-719						
Non-Refundable:		0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	
Refundable:		0.75%	1.00%	1.50%	1.75%	2.00%	2.25%	0.75%	1.00%	1.50%	1.75%	2.00%	2.25%	
LTV and Coverage	97% -95.01%	35%	0.74%	0.68%	0.61%	0.55%	0.50%	0.45%	0.96%	0.90%	0.83%	0.77%	0.72%	0.67%
		18%	0.45%	0.39%	0.32%	0.26%	0.21%	0.16%	0.63%	0.57%	0.50%	0.44%	0.39%	0.34%
	95% -90.01%	30%	0.53%	0.47%	0.40%	0.33%	0.28%	0.23%	0.83%	0.77%	0.67%	0.61%	0.56%	0.51%
		25%	0.46%	0.39%	0.33%	0.28%	0.23%	0.18%	0.69%	0.63%	0.56%	0.50%	0.45%	0.40%
	90% -85.01%	16%	0.34%	0.25%	0.21%	0.18%	0.13%	0.08%	0.56%	0.50%	0.43%	0.37%	0.32%	0.27%
		25%	0.31%	0.24%	0.18%	0.12%	0.07%	0.02%	0.51%	0.45%	0.39%	0.31%	0.26%	0.21%
	85% & below	12%	0.22%	0.15%	0.09%	0.03%	—	—	0.42%	0.36%	0.27%	0.21%	0.16%	0.11%
		6%	0.16%	0.07%	0.03%	0.01%	—	—	0.27%	0.21%	0.14%	0.08%	0.03%	—

Upfront Option:		Fixed Rate 640-679						Fixed Rate 620-639						
Non-Refundable:		0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	
Refundable:		0.75%	1.00%	1.50%	1.75%	2.00%	2.25%	0.75%	1.00%	1.50%	1.75%	2.00%	2.25%	
LTV and Coverage	97% -95.01%	35%	1.43%	1.38%	1.33%	1.28%	1.23%	1.18%	1.85%	1.80%	1.75%	1.70%	1.65%	1.60%
		18%	0.89%	0.84%	0.79%	0.74%	0.69%	0.64%	1.14%	1.09%	1.04%	0.99%	0.94%	0.89%
	95% -90.01%	30%	1.06%	1.00%	0.93%	0.87%	0.82%	0.77%	1.41%	1.35%	1.30%	1.24%	1.19%	1.13%
		25%	0.94%	0.88%	0.81%	0.75%	0.70%	0.65%	1.25%	1.19%	1.14%	1.08%	1.03%	0.97%
	90% -85.01%	16%	0.64%	0.58%	0.51%	0.45%	0.40%	0.35%	0.87%	0.81%	0.76%	0.70%	0.65%	0.59%
		25%	0.62%	0.56%	0.49%	0.43%	0.38%	0.33%	0.82%	0.76%	0.70%	0.65%	0.59%	0.53%
	85% & below	12%	0.46%	0.40%	0.31%	0.25%	0.20%	0.15%	0.50%	0.44%	0.38%	0.33%	0.27%	0.21%
		6%	0.28%	0.17%	0.15%	0.08%	0.03%	—	0.30%	0.24%	0.18%	0.12%	0.05%	—

Upfront Option:		Non-Fixed Rate ≥ 720						Non-Fixed Rate 680-719						
Non-Refundable:		0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	
Refundable:		0.75%	1.00%	1.50%	1.75%	2.00%	2.25%	0.75%	1.00%	1.50%	1.75%	2.00%	2.25%	
LTV and Coverage	95% -90.01%	30%	0.63%	0.59%	0.50%	0.41%	0.36%	0.31%	1.11%	1.05%	1.00%	0.94%	0.89%	0.84%
		25%	0.55%	0.49%	0.42%	0.34%	0.29%	0.24%	1.03%	0.95%	0.92%	0.87%	0.82%	0.77%
		16%	0.40%	0.31%	0.27%	0.22%	0.17%	0.12%	0.88%	0.77%	0.77%	0.75%	0.70%	0.65%
	90% -85.01%	25%	0.36%	0.30%	0.23%	0.15%	0.10%	0.05%	0.71%	0.65%	0.60%	0.54%	0.49%	0.44%
		12%	0.24%	0.19%	0.11%	0.05%	—	—	0.59%	0.54%	0.48%	0.42%	0.37%	0.32%
	85% & below	12%	0.19%	0.18%	0.06%	0.05%	—	—	0.34%	0.28%	0.23%	0.17%	0.12%	0.07%
		6%	0.17%	0.09%	0.04%	0.02%	—	—	0.31%	0.19%	0.20%	0.14%	0.09%	0.04%

Adjustments To Monthly Premium	Adjustments			
	≥ 720	680-719	640-679	620-639
Rate/Term Refinance	—	+0.15%	+0.30%	+0.40%
Cash Out Refinance	+0.20%	+0.25%	+0.50%	+0.66%
Loan Size > \$417,000*	+0.10%	+0.25%	+0.60%	+0.79%
Second Home	+0.14%	+0.20%	+0.35%	+0.46%
Investment Property	+0.38%	N/A	N/A	N/A

*The Loan Size adjustment does not apply to properties in Alaska or Hawaii with loan amounts \$417,001-\$625,500.

Note: Rates may not be available for all FICOs and LTVs due to application of underwriting guidelines.

Additional rates and coverage levels may also be available and can be found using Essent's Rate Finder.

The refundable option is only available for borrower-paid policies.

For more information please visit Essent at www.essent.us

Notes

Split Premiums

Split Premiums feature low monthly payments combined with an upfront payment due at closing. The upfront premium is calculated as a percentage of the loan amount. The monthly rate is determined based on the net Loan-to-Value ratio, which is measured prior to the inclusion of any financed premium. The monthly premium is determined by dividing the corresponding rate by 12 months.

Renewals

Renewal premiums are calculated on the original loan balance. The rate remains the same for years 1 through 10. For years 11 through term, the rate is reduced to 0.20% or remains the same.

Cancellation

Coverage remains in effect until cancelled. Lender-paid policies are non-refundable. For borrower-paid policies, cancellation under the Federal Homeowners' Protection Act of 1998 (HPA) will result in refund of unearned premium. Non-HPA cancellation for borrower-paid refundable policies will result in a refund of the upfront premium based upon Essent's Refund Schedule for Non-HPA Terminations obtainable from clientservices@essent.us.

Fixed-Rate Mortgage

Reflects a fully amortizing mortgage with level interest rates and payments for the first 5 years. All plans must meet the following conditions: (1) the loan period cannot exceed 40 years and (2) offer no temporary buydowns, rate concessions, graduated payment features or potential for negative amortization.

Non-Fixed Rate Mortgage

Reflects a fully amortizing mortgage that features payment changes or the potential for payment changes during the first 5 years of the mortgage. Examples of these mortgages include 3/1 ARMs and loans with temporary buydowns.

Underwriting Guidelines

For underwriting guidelines and eligibility requirements please refer to: www.essent.us

Minimum Rate

The monthly premium rate cannot be adjusted below 0.15%.

Rate Implementation

Unless otherwise specified, borrower-paid rates are based on property location and lender-paid rates are based on lender location. Rates and adjustments are subject to state regulatory approval. Rates may vary by application of filed rating rules. For questions regarding state approvals, or for additional rates, coverages, and explanatory notes, please contact Essent at clientservices@essent.us.