



Master Policy Endorsement Illinois Arbitration, Cancellation and Governing Law Endorsement

Radian Guaranty Inc. · 1601 Market Street · Philadelphia, Pennsylvania · 19103-2337

800.523.1988 · 215.231.1000

Participant

Policy issued to:

Name

Attached to and forming part of:

Master Policy number

Effective date of Endorsement:

The following shall apply if the principal place of business of the Initial Insured, as designated on the Cover Page of the above-captioned Master Policy, is located in Illinois. Capitalized terms not otherwise defined herein shall have the meaning set forth in such Master Policy.

Section 3

Section 3.6 of the above-captioned Policy is hereby deleted in its entirety and restated as follows:

3.6 Cancellation of Policy

- A. This Policy may be cancelled by the Initial Insured, at any time, or by us, in accordance with Section 3.6(b) below, upon not less than 30 days' prior written notice if the policy has been in effect for 60 days or less or 60 days' prior written notice if the Policy has been in effect for 61 days or more, provided however, that once coverage on a Certificate has become effective, this Policy will remain in full force and effect with respect to any Commitment or Certificate issued prior to such cancellation, so long as all Premium due thereon is paid and the other conditions and obligations contained in this Policy and the related Commitment and Certificate have been complied with.
- B. Subject to subparagraph (A) above, at any time after the coverage has been in effect for sixty (60) days or more, upon sixty (60) days prior written notice mailed to the last known address of the Insured, we may cancel the Policy only in the event that one of the following exists or occurs:
 - 1. Non-payment of premium; or
 - 2. The Policy or any related Certificate was obtained through a material misrepresentation; or
 - 3. The Insured violated any of the terms and conditions of the Policy; or
 - 4. The risk originally accepted has measurably increased; or
 - 5. Certification to the Director of Insurance of the loss of reinsurance by the Company, which provided coverage to the Company for all, or substantial part of, the underlying risk insured; or
 - 6. A determination by the Director of Insurance that the continuation of the Policy could place the Company in violation of the Insurance laws of the State of Illinois.
- C. Notwithstanding anything contained herein above, prior to the cancellation of this Policy or any related Certificate by the Company for nonpayment of premium, the Company will provide the Insured with prior written notice mailed to the last known address of the Insured at least ten (10) days prior to the effective date of such cancellation.

Section 15

Section 15.1 (Arbitration) of the Policy is hereby amended by deleting such section in its entirety and replacing it with the following:

15.1 Arbitration

If any controversy, dispute or other assertion of liability or rights arises out of or relating to this Policy, including the breach, interpretation or construction thereof, such controversy, dispute or assertion of liability or rights will be settled by arbitration if arbitration is then agreed to, voluntarily, by the Insured and the Company. Any such arbitration under this Policy will be conducted in accordance with the Commercial Rules of the American Arbitration Association in effect on the date the arbitration is agreed to, or if such rules are not then in effect, such other rules of the American Arbitration Association as we may designate as replacement rules. Philadelphia, Pennsylvania will be the seat of the arbitration and the locale for all hearings or other in person proceedings. Except to the extent otherwise approved by the Company, each arbitration proceeding will be confidential.

The arbitrator(s) will be neutral person(s) selected from the American Arbitration Association's National Panel of Arbitrators. If possible, the arbitrator(s) will be familiar with the mortgage lending or mortgage insurance business. Any proposed arbitrator may be disqualified during the selection process, at the option of any party to the arbitration, if they are, or during the previous two years have been, an employee, officer, director or consultant of any mortgage insurer, of any entity engaged in the Origination, purchase, sale or servicing of mortgage loans or mortgage-backed securities, or of any Person that is an affiliate of such an insurer or entity. Any proposed arbitrator may be disqualified during the selection process by the Company if such arbitrator has served as an arbitrator in any arbitration involving the Company or another mortgage insurer.

No arbitration may, without our consent, be brought with respect to Loans insured under different forms of master policies of ours unless the Initial Insured is the same under all such master policies. All arbitrations will be conducted only on an individual Loan basis and not in a class or representative action or as a named or unnamed member in a class, consolidated, representative or private attorney general legal action, nor will any arbitration use statistical sampling as a means of proof against us, unless in each case we consent following initiation of the arbitration. The agreement by the Company to arbitrate and any consent under either of the preceding two sentences must be in writing and be given by an officer of the Company whose primary job responsibility is for legal matters. Upon our request, the American Arbitration Association or arbitrator(s) will consolidate into one proceeding separate arbitrations that arise under this Policy or different master policies. In the event of consolidation, all arbitrators will be appointed pursuant to the applicable American Arbitration Association rules.

Section 15.3(b) (State Specific Limitations) of the Policy is hereby amended by the addition of the following provision:

In the event a claim is denied in whole or in part, the two-year period shall be extended by the number of days between the denial and the date the claim was initially filed.

Section 17

Section 17.1 of the above captioned Master Policy is hereby amended and restated as follows:

Section 17.1 – Endorsements

We reserve the right to amend the terms and conditions of this Policy; provided however, that any such amendment will be effective only with respect to Commitments issued after we have given the Initial Insured notice thereof by endorsement setting forth the amendment and such amendment will not be applicable to coverage under any Certificate where the related Commitment was issued prior to the amendment effective date.

Section 18

Section 18 of the above-captioned Master Policy is hereby amended and restated as follows:

Section 18 – Governing Law; Conformity to Statute

All matters arising under or relating to this Policy will be determined exclusively in accordance with the laws of the State of Illinois, without regard to any other choice of law provisions.

Any provision of this Policy which is in conflict with law that governs this Policy is hereby amended to conform to the minimum requirements of that law, it being the intention of the Initial Insured and us that the specific provisions of this Policy will be controlling whenever possible.

Condition 21

A new section is hereby added as follows:

Section 21 – Bankruptcy of Insured

The bankruptcy or insolvency of the Insured or the Insured’s estate shall not relieve the Company of its obligations hereunder.

Corporate Seal

In witness whereof, the Company has caused its Corporate Seal to be hereto affixed and these presents to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding on the Company.



Radian Guaranty Inc.

John Byr Bazemou

President

M. W. [Signature]

Secretary

To be countersigned by the Company’s duly authorized agent to the extent required by applicable state law or regulation.

Authorized Company representative