

Aggregate Excess of Loss Credit Insurance Policy Declarations Page

Policy Number: [REDACTED]

Insured Deal Number: [REDACTED]

Policy Period: That period of time between the Effective Date and the Termination Date, as set forth immediately below.

Effective Date: 12:00 A.M. Eastern Time, February 1, 2016

Termination Date: 11:59 P.M. Eastern Time, January 31, 2026

Insured: Federal National Mortgage Association, also known as Fannie Mae, a government-sponsored enterprise chartered by the U.S. Congress

Mailing Address: 3900 Wisconsin Avenue, NW
Washington, DC 20016-2892
Fax: (202) 752-6856

Insurer: [REDACTED]
[REDACTED]
[REDACTED]

Insurance Type: Aggregate excess of loss credit insurance

Covered Loans: A portfolio of fixed rate residential mortgage loans Delivered to Insured between the following dates:
(i) December 1, 2014 and April 30, 2015, as initially identified in the Set-up File and that meet the Eligibility Criteria.

Total Initial Principal Balance: \$10,673,047,334.17

Limit of Liability: \$266,826,183.35

Limit of Liability Percentage: Two and one-half percent (2.50%).

Aggregate Retention: \$53,365,236.67

Aggregate Retention Percentage: One half of one percent (0.50%).

Payment Currency: United States of America Dollars

Monthly Premium: The Monthly Premium due and payable under this Policy shall be a monthly premium. The initial Monthly Premium shall be calculated as the sum of the amounts derived by multiplying the Monthly Premium Rate by the Initial Principal Balance for each Covered Loan. All subsequent Monthly Premium shall be calculated as the sum of the

amounts derived by multiplying the Monthly Premium Rate by the Current Principal Balance for each Covered Loan.

Monthly Premium Rate: [REDACTED]

Eligibility Criteria:

- (a) Each Covered Loan met the requirements of the Selling Guide, or any variances thereto granted in writing by the Insured prior to delivery, at the time it was Delivered to the Insured. The Insured makes no representation as to which variances, if any, apply to individual Covered Loans;
- (b) Each Covered Loan is a fully amortizing, fully documented, fixed-rate, first lien mortgage loan, which has an original term of no more than thirty (30) years and was secured by Residential Property located in the United States, including the District of Columbia, Puerto Rico, the U.S. Virgin Islands or Guam on its origination date;
- (c) Each Covered Loan was originated between August 1, 2014 and April 30, 2015;
- (d) Each Covered Loan was Delivered to the Insured between the following dates: December 1, 2014 and April 30, 2015.
- (e) No Covered Loan had an original loan-to-value ratio that (1) is sixty percent (60%) or less, or (2) is more than eighty percent (80%);
- (f) Each Covered Loan had primary mortgage guaranty insurance in force if its loan-to-value ratio at the time it was Delivered to the Insured exceeded eighty percent (80%);
- (g) The representative credit score used to originate each Covered Loan was six hundred twenty (620) or greater; and
- (h) No Covered Loan had ever been thirty (30) days or more delinquent prior to the Effective Date.

Policy All-Inclusive:

This Policy is comprised of this Declarations Page and the various terms and provisions attached to the Policy as of the Effective Date.

(Signature Page Follows)

IN WITNESS HEREOF, each party hereto has caused this Policy to be executed on its behalf by its duly authorized representative as of the date(s) specified below:

[Redacted]

By: [Redacted]

Name: [Redacted]

Date: [Redacted]

Fannie Mae

[Redacted]

[Redacted]

[Redacted]

Aggregate Excess of Loss Credit Insurance Policy

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Aggregate Excess of Loss Credit Insurance Policy

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

In consideration of the Insured paying the Monthly Premium stated in the Declarations Page to the Insurer and in reliance upon the statements in the Declarations Page made a part hereof and subject to all of the terms of this Policy, the Insurer hereby agrees, subject to the Policy Limit of Liability stated in the Declarations Page, to pay Loss to the Insured to the extent and in the manner set forth herein.

I. INSURING AGREEMENT; SECURITY

- (a) After first deducting any valid and collectible mortgage guaranty insurance (MI) that may apply to a Covered Loan, this Policy provides coverage for one hundred percent (100%) of the Aggregate Losses of the Insured in excess of the Aggregate Retention of the Insured on Covered Loans that Default during the Policy Period, subject to the Limit of Liability and all other terms, conditions and limitations of this Policy.
- (b) To secure performance hereunder, within three (3) days of the Effective Date, the Insurer shall enter into a trust agreement (the "**Trust Agreement**") in the form attached hereto as Exhibit A and deposit therein an amount equal to the Trust Funding Obligations (as defined below) as of the Effective Date. The Insurer shall at all times maintain on deposit in the trust account established under the Trust Agreement (the "**Trust Account**") Assets (as that term is defined in the Trust Agreement) which have a fair market value equal to the Trust Funding Obligation.
- (c) The "**Trust Funding Obligation**" shall be equal to the sum, with respect to the Policy and each additional insurance policy (each, an "**Additional Policy**" and the Additional Policies together with the Policy, the "**Relevant Policies**"), if any, issued by the Insurer to the Insured, of the products of (i) the Limit of Liability under this Policy or such Additional Policy, as applicable, and as such term is defined herein or therein, as applicable, multiplied by (ii) the "**Required Collateral Percentage**" identified on Schedule 1 to this Policy or in such Additional Policy, as applicable; provided, that if a Termination Event has occurred, the Obligations shall not be less than the sum of the products of (i) the Remaining Limit of Liability under this Policy or such Additional Policy, as applicable, multiplied by (ii) the "Termination Event Percentage" identified on Schedule 1 to this Policy or such Additional Policy, as applicable.
- (d) At the request of the Insured, the Insurer shall designate notional sub-accounts within the Trust Account corresponding to this Policy and each Additional Policy, and allocate Assets (as defined in the Trust Agreement) in the Trust Account to each such sub-account with a fair market value at least equal to the Trust Funding Obligations, as determined solely with respect to the Relevant Policy to which such sub-account corresponds. Notwithstanding any such allocation, or the designation or existence of any sub-account, the Insured as the Beneficiary (as defined in the Trust Account) of the Trust Account shall be permitted to freely withdraw any Asset and apply such Asset to satisfy any obligation of the Insurer under any Relevant Policy.

- (e) The Insurer shall notify the Insured of any Termination Event, downgrade in, or withdrawal of, its Insurer's financial strength rating ("**Rating**") by A.M. Best or Standard & Poor's within five (5) calendar days of the date on which the Insurer is first informed of such Termination Event, downgrade or withdrawal, and within ten (10) calendar days of such date shall deposit in to the Trust Account such amount, if any, as is required so that the fair market value of the Assets then on deposit in the Trust Account is at least equal to the Trust Funding Obligations as of the date of such notice.
- (f) In the event that the Insured determines at any time that the fair market value of all Assets in the Trust Account is less than 100% of the Trust Funding Obligations, the Insured may send a written notice to that Insurer, with a copy to the Trustee, requiring the Insurer to deposit Assets in the Trust Account so that the fair market value of the Assets deposited in the Trust Account is at least equal to the Trust Funding Obligations. The Insurer shall deposit such Assets in the Trust Account within five (5) calendar days of receipt of such notice. If the Insurer does not timely deposit such Assets, in addition to any other legal or equitable remedy the Insured may have, the Insured may issue a written instruction to the Trustee directing the Trustee to transfer from the Income Portfolio (as defined in the Trust Agreement) to the Trust Account such assets as are required so that the fair market value of the Assets deposited in the Trust Account is at least equal to the Trust Funding Obligations. If the Assets in the Income Portfolio are insufficient for such purpose, the Insured may also direct the Trustee to deposit all amounts otherwise required to be deposited into the Income Portfolio to the Trust Account until such time as the fair market value of the assets deposited into the Trust Account is equal to the Trust Funding Obligations.
- (g) If no Termination Event has occurred:
 - i. The Insurer may request that the Insured issue a Withdrawal Notice (as that term is defined in the Trust Agreement) to the Trustee directing the Trustee to (i) withdraw from the Trust Account and (ii) pay directly to the Insurer that specific dollar amount (as determined by the Insured) by which the fair market value of the Assets on deposit in the Trust Account exceeds one hundred two percent (102%) of the Trust Funding Obligations, issuance of such Withdrawal Notice not to be unreasonably or arbitrarily withheld by the Insured; and
 - ii. Subject to the deduction of the Trustee's compensation and expenses in accordance with the Trust Agreement, the Insurer may withdraw funds deposited in the Income Portfolio if the fair market value of the Assets on deposit in the Trust Account exceeds one hundred percent (100%) of the Trust Funding Obligations. The Insured, as the Beneficiary of the Trust Account, may instruct the Trustee not to permit withdrawals from the Income Portfolio by the Insurer to the extent such condition is not satisfied.
- (h) If a Termination Event has occurred:
 - i. The Insurer may request that the Insured issue a Withdrawal Notice to the Trustee directing the Trustee to withdraw from the Trust Account and pay directly to the Insurer only that specific dollar amount (as determined by the Insured) by which the fair market value of the Assets on deposit in the Trust Account exceeds one hundred two percent (102%) of the greater of the (a) Aggregate Remaining Limit of Liability and (b) Trust Funding Obligations,

issuance of such Withdrawal Notice not to be unreasonably or arbitrarily withheld by the Insured;

- ii. The Insured may not withdraw any funds from the Income Portfolio that the Insurer otherwise would be entitled to withdraw under the terms of the Trust Agreement unless the fair market value of the Assets on deposit in the Trust Account exceeds one hundred percent (100%) of the Aggregate Remaining Limit of Liability. The Insured, as the Beneficiary of the Trust Account, may instruct the Trustee not to permit withdrawals from the Income Portfolio by the Insurer to the extent such condition is not satisfied;
- iii. Any and all premiums payable under this Policy to the Insurer shall be paid by the Insured to the Trust Account of the Insurer until such time as the fair market value of the Assets on deposit therein is equal to the Aggregate Remaining Limit of Liability;
- iv. The "**Aggregate Remaining Limit of Liability**" means the sum of the Remaining Limits of Liability under each Relevant Policy (as the term "**Remaining Limit of Liability**" is defined herein or therein, as applicable).
- v. All assets delivered to the Trustee for deposit to the Trust Account shall consist only of Eligible Investments (as that term is defined in the Trust Agreement). The Insurer shall provide each asset to the Trustee in such form that the Insured or the Trustee upon direction by the Insured may negotiate any such Asset without the consent or signature of the Insurer or any other Person or entity. The Insurer shall provide such documents as are necessary to authorize such transfer at the time the Asset is deposited to the Trust Account or if requested thereafter by the Trustee or the Insured.
- vi. The Insurer must timely and fully comply with the requirements of this Article I. and must fully fund the Trust Account as set forth herein, even in the event of a dispute concerning such funding or any other aspect of this Policy. The existence of a dispute as to the Insurer's obligations under the Trust Agreement or under this Policy shall not constitute a basis on which the Insurer may fail or refuse to fully fund the Trust Account in accordance with the terms of this Article I. The parties acknowledge and agree that the failure to fund the Trust Account as required herein would result in irreparable harm to the Insured for which no adequate remedy exists at law or in equity. Accordingly, the Insurer agrees that, in the event of any breach or threatened breach of the provisions of this Article I. by the Insurer, (i) the Insured shall be entitled to equitable relief in the form of specific performance requiring the immediate funding of the Trust Account in accordance with this Article I., without the requirement of posting a bond or other security and (ii) the Insurer shall not object to, and hereby expressly consents to and waives all defenses to, the entry of such relief against it.
- vii. The Insured shall have the right, but not the obligation, to withdraw Assets from the Trust Account to reimburse the Insured for any amount that becomes due from the Insurer under the terms of this Policy and that is not otherwise paid by the Insurer within five (5) Business Days of the date on which such payment becomes due.

- viii. The requirements of this Article I. apply in addition to and not in lieu of any and all other rights, remedies or causes of action which the Insured may have under this Policy, under any other agreement, or that otherwise may accrue to the Insured at law or in equity.

II. REPRESENTATIONS AND WARRANTIES OF THE INSURER

The Insurer represents and warrants as follows:

- (a) The Insurer is an insurance company duly organized, validly existing and in good standing under the laws of [REDACTED] and has all requisite corporate power and authority to own and lease its properties and to carry on its business as conducted by it.
- (b) The Insurer holds a certificate of authority issued by the [REDACTED] pursuant to which the Insurer is duly authorized to issue the kind of insurance provided under this Policy and to otherwise enter into and perform its obligations under this Policy.
- (c) The Insurer has taken all corporate action required to authorize the execution, delivery and performance of this Policy, and the performance of its obligations thereunder, and has received all necessary legal and regulatory approvals for it to execute, deliver and perform under this Policy.
- (d) The Insurer has the corporate power and authority to execute and deliver, and perform its obligations under, this Policy.
- (e) This Policy, when executed and delivered, shall constitute a legal, valid and binding obligation of the Insurer, enforceable except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and subject to the application of equitable principles and the availability of equitable remedies.
- (f) The execution and delivery by the Insurer of this Policy, and the performance by the Insurer under this Policy, do not and shall not require the Insurer to possess, obtain, make, provide or deliver any consent, waiver, approval, license, permit, order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any governmental authority or other Person, other than (i) any of which have been unconditionally obtained or effected (as appropriate) and are in full force and effect or (ii) any of which the failure to possess, obtain, make, provide or deliver do not or shall not, individually or together with any one or more such other failures, result in the Insured incurring any liability, or have a material adverse effect on (a) the ability of the Insurer to perform and comply with its respective obligations under this Policy, or (b) the consummation of the transactions contemplated under this Policy.
- (g) The Insurer is, and shall use its best efforts to remain, in compliance at all times and in all material respects with all Applicable Law, with the conditions attached to its certificate of authority or with any directions to the Insurer issued by the [REDACTED]

- (h) There are no pending or, to Insurer's knowledge, threatened actions, suits, investigations or proceedings ("**Proceedings**") by or against the Insurer which are material to its business, at law or in equity or otherwise before any court, tribunal, agency, official, arbitrator or other governmental authority and the Insurer has not been the subject of any such Proceedings in the last two (2) years, other than to the extent that such Proceedings that are considered part of the normal operations of an insurance or a reinsurance company.
- (i) The Insurer has such knowledge and experience in financial, business and insurance matters that it is capable of evaluating the merits and risks of this transaction. The Insurer has conducted its own independent review and analysis of the underwriting risk and acknowledges and agrees that the Insured has provided the Insurer with sufficient information for this purpose. In entering into this Policy, the Insurer has relied solely upon its own investigation and analysis, and the Insurer acknowledges and agrees that, except for representations and warranties of the Insured expressly provided in Article III. (Representations and Warranties of the Insured), the Insured makes no, and has made no, representation or warranty, either express or implied, with respect to this Policy or as to the accuracy or completeness of any of the information (including projections, estimates or any other forward looking forecasts) provided or otherwise made available to the Insurer. In entering into this Policy, the Insurer is not relying on any representation as to any past or present fact or circumstance, or any representation, prediction or estimation as to any future fact or circumstance, whatsoever made by or on behalf of the Insured.
- (j) Prior to the Insurer's execution and delivery of this Policy, the Insurer has been (i) given the opportunity to ask questions of, and receive answers from, the Insured concerning the terms and conditions of this Policy and the subject matter of this Policy and (ii) given the opportunity to request and review such additional information necessary to evaluate the risks and merits of entering into and performing this Policy and to verify the accuracy of or to supplement the information provided to the Insurer to the extent that the Insured possesses such information.

III. REPRESENTATIONS AND WARRANTIES OF THE INSURED

In accepting this Policy, the Insured hereby agrees, represents and warrants the following to the Insurer as of the Effective Date:

- (a) The statements and information with respect to any Covered Loan set forth on the Declarations Page are true, correct and complete in all material respects.
- (b) Each Covered Loan meets the Eligibility Criteria.
- (c) Each Covered Loan will be serviced in accordance with the Servicing Guide.
- (d) It has not withheld any information requested by the Insurer that would reasonably affect the decision of an insurer of risks similar to the risk assumed by the Insurer under the Policy, and it has no knowledge of any circumstance related to the origination, underwriting or servicing of the Covered Loans which would reasonably be expected to give rise to or materially increase the likelihood of a loss reimbursable by the Insurer at any time during the term of the Policy.

- (e) It is duly organized, validly existing and in good standing under the laws of the United States.
- (f) It has taken all actions required to authorize its execution, delivery and performance hereunder.
- (g) It is accepting delivery of the Policy in [REDACTED].
- (h) The Policy, when executed and delivered, will constitute a legal, valid and binding obligation of the Insured as to its obligations hereunder, enforceable except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally and subject to the application of equitable principles and the availability of equitable remedies.
- (i) The execution and delivery by the Insured of the Policy, and the performance by the Insured under the Policy, do not and will not require the Insured to possess, obtain, make, provide or deliver any consent, waiver, approval, license, permit, order, designation or authorization of, notice to, or registration, filing, qualification or declaration with, any governmental authority or other Person, other than (1) any of which have been unconditionally obtained or effected (as appropriate) and are in full force and effect or (2) any of which the failure to possess, obtain, make, provide or deliver do not or will not, individually or together with any one or more such other failures, result in the Insurer incurring any liability, or have a material adverse effect on (x) the ability of the Insured to perform and comply with its respective obligations under the Policy, or (y) the consummation of the transactions contemplated under the Policy.
- (j) To the best of the Insured's knowledge, the historical loss and loan information was accurate at the time provided.

IV. LIMITATION OF LIABILITY

- (a) The total liability of the Insurer for Aggregate Losses under this Policy shall in no event exceed the Limit of Liability.
- (b) Each payment of a Loss by the Insurer in discharge of its obligations under this Policy shall be credited against the Limit of Liability, and the result shall be the Remaining Limit of Liability as of the date of such payment.
- (c) If, after the Effective Date, a Covered Loan is identified as failing to meet the Eligibility Criteria, such loan shall be excluded from coverage pursuant to Article XII.(b) (Exclusions). Such loan shall be treated as if it had paid-off, the Total Current Principal Balance shall be reduced accordingly, and any Loss previously paid in connection with such loan shall be returned by the Insured to the Insurer.
- (d) At each of thirty-six (36) and forty-eight (48) months after the Effective Date, the Remaining Limit of Liability shall automatically be reduced to the lesser of:
 - i. the Remaining Limit of Liability at such date determined without giving effect to this Article IV.(d), or

- ii. the greater of:
 - a. the Limit of Liability Percentage multiplied by the then Total Current Principal Balance of all active (i.e., current and delinquent) Covered Loans plus the Limit of Liability Percentage multiplied by the unpaid principal balance as of the date of Default of all Liquidated Covered Loans, or
 - b. three hundred percent (300%) of the then Total Current Principal Balance of all seriously delinquent (i.e., three (3) months or more past due) Covered Loans plus three hundred percent (300%) of the unpaid principal balance as of the date of Default of all Liquidated Covered Loans.

As such, at each of thirty-six (36) and forty-eight (48) months after the Effective Date, in the event of any reduction in the Remaining Limit of Liability, the Limit of Liability shall also be reduced to the sum of the Remaining Limit of Liability, after applying the reduction specified in this Article IV.(d), and Aggregate Losses in excess of the Aggregate Retention at such dates.

- (e) At sixty (60) months after the Effective Date and at each anniversary of the Effective Date thereafter, the Remaining Limit of Liability shall automatically be reduced to the lesser of:
 - i. the Remaining Limit of Liability at such dates determined without giving effect to this Article IV.(e), or
 - ii. the greater of:
 - a. the Limit of Liability Percentage multiplied by the then Total Current Principal Balance of all active (i.e., current and delinquent) Covered Loans plus the Limit of Liability Percentage multiplied by the unpaid principal balance as of the date of Default of all Liquidated Covered Loans, or
 - b. one hundred fifty percent (150%) of the then Total Current Principal Balance of all seriously delinquent (i.e., three (3) months or more past due) Covered Loans plus one hundred fifty percent (150%) of the unpaid principal balance as of the date of Default of all Liquidated Covered Loans.

As such, at sixty (60) months after the Effective Date and at each anniversary of the Effective Date thereafter, in the event of any reduction in the Remaining Limit of Liability, the Limit of Liability shall also be reduced to the sum of the Remaining Limit of Liability at such dates, after applying the reduction specified in this Article IV.(e), and Aggregate Losses in excess of the Aggregate Retention at such dates.

- (f) Notwithstanding any other provision of this Policy to the contrary, the Insurer shall have no liability to pay any Loss once the Aggregate Losses paid by the Insurer equal the Limit of Liability. The Insured shall be solely responsible for any Losses that would otherwise exceed the Limit of Liability.

V. CLAIMS AND REPORTING

- (a) The Insured shall submit to the Insurer monthly a Notice of Claim in the form substantially similar to Exhibit B herein. The monthly Notice of Claim shall be submitted monthly irrespective of whether the Insured is filing a Claim for that month. Where the Insured wishes to file a Claim, such monthly submission shall include a fully completed Notice of Claim on a Covered Loan within ninety (90) calendar days of the end of the month in which a related REO Sale or Third-Party Sale occurs; provided, however, the Insurer shall have no obligation to make payment for Loss on a Notice of Claim until the Aggregate Retention has been exceeded. The Insured's failure to provide a Notice of Claim within the foregoing period shall not relieve the Insurer of its obligations under this Policy, provided that such late notice does not actually and materially prejudice the Insurer.
- (b) The Insured shall provide written notice to the Insurer that the Aggregate Retention has been exceeded, and thereafter the Insurer shall submit payment for Loss as presented in the Notice of Claim on a Covered Loan within eleven (11) Business Days of its receipt of the Notice of Claim (such date, the "**Claim Due Date**").
- (c) In the event the Insurer does not pay the Loss by the Claim Due Date, it shall pay interest on the Loss calculated as follows: 1) if the Loss is paid on or before the sixtieth (60th) day following the Claim Due Date, the Net Interest Rate due upon the Covered Loan, commencing on and including the day immediately following the Claim Due Date up to but excluding the date on which the Loss is paid; or 2) if the Loss is paid after the sixtieth (60th) day following the Claim Due Date, the Net Interest Rate due upon the Covered Loan, commencing on and including the day immediately following the Claim Due Date up to and including the sixtieth (60th) day following the Claim Due Date, plus the sum of the Net Interest Rate due upon the Covered Loan and ten percent (10.00%), commencing on and including the day immediately following the sixtieth (60th) day following the Claim Due Date up to but excluding the date on which the Loss is paid. Notwithstanding the foregoing, (i) nothing in this Policy shall be construed as requiring the payment of any rate of interest which would violate any Applicable Law governing allowable rates of interest that are applicable to this Policy; and (ii) the rate of interest payable shall be construed to be the lesser of the amount calculated hereunder or the maximum amount permitted under Applicable Law.
- (d) As a matter of routine reporting during the Policy, the Insured shall provide the Insurer with the Monthly Servicing Report, which shall be updated and transmitted by the Insured on a monthly basis by the thirtieth (30th) day following the end of each month and covering activity during the preceding month.

VI. CALCULATION OF LOSS

- (a) If a Covered Loan has primary mortgage guaranty insurance that reduces the Insured's loss on such Covered Loan to zero, there is no Loss to calculate in connection with such Covered Loan and no payment shall be due from the Insurer on a Claim for Loss with respect to such Covered Loan.

- (b) If Article VI.(a) above does not apply, then once a Property securing a Covered Loan has been sold by, or with the approval of, the Insured, the Loss shall be calculated as the sum of:
- i. the Default Amount, and
 - ii. interest at the Net Interest Rate computed on the Default Amount from the date of Default until the date of the Third-Party Sale or REO Sale, provided, however, that in no event shall the time for which accumulated delinquent interest is included in the Loss exceed forty-five (45) months, and
 - iii. the amount of Advances paid by the Insured prorated (based on the number of days) through the date the Claim is submitted,
- less:
- iv. the amount of all rents and other payments (excluding proceeds of hazard and/or homeowner's insurance) collected or received by the Insured, prior to the earlier of the date the Claim is submitted or required to be submitted, and that the Insured is entitled to retain, which are derived from or in any way related to the Property, if any,
 - v. the amount of cash remaining in any escrow account as of the last payment date, if such cash secures the debt, if any,
 - vi. the amount of cash to which the Insured has retained the right of possession as security for the Covered Loan and all sums as to which the Insured has the right of set-off, if any,
 - vii. the amount paid by the hazard insurer under applicable hazard and/or homeowner's coverage policies, which has not been applied to the cost of restoring and repairing the Property or which has not been applied to the payment of the Covered Loan, if any,
 - viii. the net proceeds of the Third-Party Sale or REO Sale, consisting of the gross sales price less all reasonable and necessary costs incurred in obtaining and closing the sale, if any,
 - ix. the Amount Due on MI, if any, and
 - x. the amount of any indemnification or make-whole proceeds paid to the Insured by a Servicer or party otherwise responsible to the Insured in connection with a Covered Loan, if any.
- (c) An example of the Loss calculation is provided in Exhibit C.
- (d) In the event that part or all of the Property is taken by eminent domain, condemnation or by any other proceedings by a federal, state or local governmental unit or agency, the Insured shall require that the Borrower apply the maximum permissible amount of compensation awarded to reduce the unpaid principal balance of the Covered Loan in accordance with Applicable Law and the terms of the Covered Loan.

- (e) Notwithstanding any other provision of this Policy to the contrary, the Insurer shall have no liability to pay any Loss unless and until the Aggregate Losses exceed the Aggregate Retention as specified in the Declarations Page. The Insured shall be solely responsible for Loss until Aggregate Losses exceed the Aggregate Retention.

VII. LOSS ADJUSTMENTS

- (a) **Indemnification Proceeds.** Before the Termination Date, if the Insured is paid any indemnification or make-whole proceeds by a Servicer or party otherwise responsible to the Insured in connection with a Covered Loan after the Insurer has paid a Loss on such Covered Loan, the Insured shall pay to the Insurer such proceeds. All such proceeds paid to the Insurer shall reduce Aggregate Losses.
- (b) **Collection Activities.**
 - i. In connection with a Covered Loan where a Notice of Claim is submitted by the Insured pursuant to Article V.(a) (Claims and Reporting) prior to the date the Aggregate Retention has been exceeded, any amounts received by the Insured as a result of Collection Activities shall be retained by the Insured and all such proceeds shall reduce Aggregate Losses.
 - ii. In connection with a Covered Loan where a Notice of Claim is submitted by the Insured pursuant to Article V.(b) (Claims and Reporting) after the Aggregate Losses exceed the Aggregate Retention, any amounts received by the Insured as a result of Collection Activities shall be for the benefit of the Insurer and be paid to the Insurer, net of any third-party expenses incurred by the Insured to receive such amounts or the right to receive such amounts. For purposes of this Article VII.(b)(ii), the Insured shall apply its same standards as it would apply in the normal course of Collection Activities pursuant to Article VII.(b)(i) above. All such amounts paid by the Insured to the Insurer before the later of (x) the date of payment by the Insurer of the final Loss eligible to be paid under this Policy, or (y) the Termination Date, shall reduce Aggregate Losses.
- (c) **Termination Date.** For purposes of Article VII.(b)(ii) above, the occurrence of the Termination Date shall not affect the Insured's obligation to pay such amounts to the Insurer.

VIII. CANCELLATION

- (a) This Policy shall automatically cancel on the Termination Date, unless cancelled earlier in accordance with Article VIII.(b) through (f) below. Within sixty (60) days following the Termination Date:
 - i. if the Insured determines that the Aggregate Retention has not been exceeded and would not be exceeded if the Total Current Principal Balance of all Covered Loans then in Default were added to the Aggregate Losses, then this Policy shall cancel on the Termination Date and the Insurer shall not be liable for any payment of Loss;

- ii. if the Insured determines that the Aggregate Retention has not been exceeded, but would be exceeded if the Total Current Principal Balance of all Covered Loans then in Default were added to the Aggregate Losses, then such Covered Loans in Default shall remain covered under this Policy until the earlier of the date such Covered Loans are no longer in Default or become Liquidated Covered Loans, and the Insurer shall continue to pay Losses in connection with such Liquidated Covered Loans without further payment of premium by the Insured;
 - iii. if the Insured determines that the Aggregate Retention has been exceeded, then all Covered Loans then in Default shall remain covered under this Policy until the earlier of the date such Covered Loans are no longer in Default or become Liquidated Covered Loans, and the Insurer shall continue to pay Losses in connection with such Liquidated Covered Loans without further payment of premium by the Insured; and
 - iv. the Insured will notify the Insurer whether Article VIII.(a)(i), (a)(ii), or (a)(iii) applies.
- (b) The Insurer shall not have the right to cancel this Policy except for non-payment of the Monthly Premium. If any Monthly Premium has not been paid pursuant to Article IX. (Monthly Premium) on or before its due date, the Insurer may cancel this Policy by giving written notice to the Insured stating (i) that the Insurer has not received such Monthly Premium; (ii) that the Insurer intends to cancel the Policy for non-payment of such Monthly Premium; and (iii) the date on which the cancellation shall be effective; provided, however, that in no case shall the proposed cancellation effective date be less than thirty (30) days after the date on which the unpaid Monthly Premium was due. Unless the Insured pays the Monthly Premium prior thereto, the cancellation date proposed in such written notice shall become the Termination Date of the Policy. If the Insured pays the unpaid Monthly Premium on or before the proposed effective date of the cancellation, the Policy shall continue in full force and effect.
- (c) The Insured shall have the right, but not the obligation, to cancel this Policy in the event that:
- i. the Insurer has become insolvent or has been placed into liquidation, receivership, supervision or administration (whether voluntary or involuntary), or proceedings have been instituted against the Insurer for the appointment of a receiver, liquidator, rehabilitator, supervisor, administrator, conservator or trustee, or other agent known by whatever name, to take possession of its assets or control of its operations;
 - ii. the Insurer is in breach of any representation or warranty set forth in Article II. (Representations and Warranties of the Insurer);
 - iii. the Insurer is the subject of a cease and desist order or any similar order from a regulatory authority ordering it to cease and desist in writing all or part of its business;

iv. the Insurer has failed to comply with any material obligation owed by the Insurer under the terms of this Policy;

v. the policyholders' surplus (or shareholders equity, as applicable) of the Insurer or of the Insurer's group or holding company on the Effective Date has been reduced by 25.0% or more of the amount of such surplus twelve (12) months prior to the Effective Date;

vi. the policyholders' surplus (or shareholders equity, as applicable) of the Insurer or of the Insurer's group or holding company is reduced by 25.0% or more of the amount of such surplus reported in the financial statement filed, respectively, by the Insurer or the Insurer's group or holding company with any regulatory authority and available to the public as of the Effective Date;

vii. the Insurer (i) has transferred substantially all of its business by reinsurance or otherwise to an unaffiliated entity or entities or (ii) has been, or will be as a result of an announced transaction, the subject of a Change in Control, whether by merger, acquisition, change in ownership or any other means;

viii. the Insurer has reinsured its entire liability under this Policy with an unaffiliated entity or entities without the Insured's prior written consent or

ix. the Insurer has failed to file annual, audited financial statements, prepared by an independent certified public accountant, with its insurance regulator on or before June 30 for the year ended December 31 immediately preceding.

Each of Article VIII(c)(i) through VIII(c)(ix) herein shall be referred to as a ("Termination Event"). The Insurer will provide annual, audited financial statements, prepared by an independent certified public accountant and quarterly unaudited financial statements to the Insured and shall notify the Insured if a Termination Event has occurred within five (5) days of such occurrence. If the Insured decides in its sole discretion to cancel this Policy as a result of the occurrence of a Termination Event, the Insured shall give written notice of cancellation to the Insurer, which notice shall identify the ground(s) for cancellation and the date on which the cancellation shall be effective. The cancellation date identified in such written notice shall become the Termination Date of this Policy.

(d) The Insured may cancel this Policy if, at any time, the Total Current Principal Balance is reduced to no more than ten percent (10.00%) of the Total Initial Principal Balance. If the Insured elects to cancel the Policy pursuant to this Article VIII.(d), the Insured shall give written notice of such termination to the Insurer, which notice shall identify the grounds for the termination and the date on which the termination shall be effective. The termination date identified in such written notice shall become the Termination Date of this Policy.

(e) On or after the day which is sixty (60) months after the Effective Date, the Insured may elect to cancel this Policy by paying the Insurer the amount equal to: the product of (i) the product of (a) Total Current Principal Balance, multiplied by (b) the Monthly Premium Rate, multiplied by (c) the number of months remaining before the Termination Date as stated on the Declarations Page, multiplied by (ii) 0.20. If the Insured elects to cancel the Policy pursuant to this Article VIII.(e), the Insured shall give written notice of such cancellation to the Insurer, which notice shall identify the grounds for the cancellation and the date on which the

cancellation shall be effective. The cancellation date identified in such written notice shall become the Termination Date of this Policy.

- (f) This Policy shall automatically cancel if the Remaining Limit of Liability at any monthly reporting period is zero dollars (\$0.00), subject to adjustment pursuant to Article VII.(a) (Loss Adjustments), and the Insured shall not then be liable for any Monthly Premium, except for outstanding amounts that may have accrued prior to that time and may still be owed thereafter.
- (g) Under all cancellation provisions in Article VIII.(a) through (c) above, the Insured shall not be liable for any Monthly Premium that may accrue after the Termination Date, and the Insurer shall not be liable for any Loss on Covered Loans that Default after the Termination Date. (For the avoidance of doubt with respect to situations described under Article VIII.(a) through (c) above, the Insured shall remain liable to pay any Monthly Premium that accrues prior to, but is not payable until after, the Termination Date.) Under all cancellation provisions in Article VIII.(d) and (e) above, the Insured shall not be liable for any Monthly Premium that may accrue after the Termination Date, and the Insurer shall only be liable to pay Claims filed by the Insured prior to the Termination Date. (For avoidance of doubt with respect to situations described under Article VIII.(d) and (e) above, the Insurer shall not be liable for Loss on Covered Loans that are in Default as of the Termination Date but for which the Insured has not filed a Claim.)
- (h) Notwithstanding the termination of this Policy for any reason, the provisions of this Policy shall continue to apply indefinitely to all obligations and liabilities of the parties incurred hereunder prior to such termination until all such obligations and liabilities are fully performed and discharged. Without limiting the generality of the foregoing, notwithstanding the termination of this Policy for any reason or for no reason, the provisions of this Policy shall continue to apply indefinitely to all obligations and liabilities of the Insurer for Losses on Covered Loans that Default on or prior to the Termination Date.
- (i) Any termination of this Policy pursuant to this Article VIII. or otherwise is in addition to and not in lieu of any other rights, remedies or causes of action which the Insured or Insurer may have under this Policy, under any other agreement or pursuant to Applicable Law.

IX. MONTHLY PREMIUM

The initial Monthly Premium due and payable under this Policy shall be calculated as specified on the Declarations Page of this Policy, and the Insured will make its best effort to pay the initial Monthly Premium within five (5) days of delivery to the Insurer of the Set-up File but not later than ten (10) days of such delivery of the Set-up File. Each subsequent Monthly Premium shall be calculated as specified on the Declarations Page of this Policy and paid by the thirtieth (30th) day of the month for which it is due. For example, the Monthly Premium due for January shall be paid by January 30. The Insured's obligation to pay Monthly Premium on a Covered Loan ceases on the last day of the month in which such loan becomes a Liquidated Covered Loan.

X. ACCESS TO RECORDS

- (a) The Insurer or its designated representatives shall be entitled to review such records and books of the Insured which pertain to a Claim on a Covered Loan

made under this Policy. The Insurer shall give the Insured no less than ten (10) Business Days' written notice of its desire to review such records and books. The Insured shall make those of its books and records so requested available to the Insurer during regular business hours at the Insured's customary place of business or at such other location as is agreed to by the Insurer and the Insured.

- (b) The failure of the Insured to comply with this Article X.(a) shall not relieve the Insurer of its obligation to pay for Loss or to make any payment due under this Policy.

XI. CONFIDENTIALITY

- (a) The Insurer hereby acknowledges that the documents, information and data provided to it by the Insured, whether directly or through an authorized agent, in connection with the placement and execution of this Policy, including all information obtained through any audits and any claims information between the Insured and the Insurer, and any submission or other materials relating to any renewal ("**Confidential Information**") are proprietary and confidential to the Insured and may be subject to laws or other agreements prohibiting the disclosure of such Confidential Information.
- (b) Absent the written consent of the Insured, the Insurer shall hold Confidential Information in strict confidence and shall not disclose any Confidential Information to any third parties, except:
 - i. When required by reinsurers to whom the Insurer has ceded risk assumed under this Policy;
 - ii. When required by regulators performing an audit of the Insurer's records and/or financial condition;
 - iii. When required by auditors performing an audit of the Insurer's records in the normal course of business;
 - iv. When required by outside legal counsel, provided the legal counsel is representing the Insurer in connection with a claim/legal issue regarding this Policy;
 - v. When storing Confidential Information about this Policy in its group-wide IT systems, and the Insurer is entitled to make Confidential Information available to all companies and units of the Insurer for administration, risk management and accounting purposes.
- (c) The Insurer shall be responsible for any breach of this provision by any thirdparty representatives of the Insurer or any person to which risks arising out of this Policy are reinsured (each a "Reinsurer"). Each third-party representative of the Insurer and each Reinsurer agree to be bound by this Article XI. or by a separate written confidentiality agreement, containing terms no less stringent than those set forth in this Article XI.
- (d) Notwithstanding the above, in the event that the Insurer is required by court order, other legal process or any regulatory authority to release or disclose any or all of the Confidential Information, the Insurer agrees to provide the Insured with written notice of same at least ten (10) days prior to such release or disclosure, to the extent legally permissible, and to use reasonable efforts to

assist the Insured, at the Insured's expense in maintaining the confidentiality provided for in this Article XI. However, notwithstanding anything to the contrary in this Article XI., in no event shall this Article XI. require the Insurer to not comply with the order of any court of law or administrative court, the order of any arbitration and/or dispute resolution panel, the order of any governmental regulator, and/or any other law, regulation or order.

- (e) Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of NonPublic Personally Identifiable Information. Disclosing or using this information for any purpose not authorized by Applicable Law is expressly forbidden without the prior consent of the Insured.
- (f) The Insurer shall take all commercially reasonable precautions, including the adoption and/or maintenance of security processes, procedures, and systems, to safeguard and to protect the Confidential Information of the Insurer and all NonPublic Personally Identifiable Information from disclosure and from unauthorized access, including a Security Incident.
- (g) The parties agree that any information subject to privilege, including the attorney-client privilege or attorney work product doctrine (collectively "**Privilege**") shall not be disclosed to the Insurer until, in the Insured's opinion, such Privilege is deemed to be waived or otherwise compromised by virtue of its disclosure pursuant to this Policy. For any privileged information, the Insured shall endeavor to undertake steps as reasonably necessary to provide the Insurer with the information it reasonably requires to indemnify the Insured without causing a loss of such Privilege. Furthermore, the Insurer shall not assert that any Privilege otherwise applicable to the Confidential Information has been waived or otherwise compromised by virtue of its disclosure pursuant to this Policy.
- (h) The provisions of this Article XI. shall extend to the directors, officers, and employees of the Insurer and its affiliates, and shall be binding upon their successors and assigns.
- (i) The Insurer shall notify the Insured of any Security Incident. Such notice shall be given as soon as possible, but in no event more than two (2) Business Days after, the Insurer first becomes aware of the Security Incident involving the Confidential Information.
- (j) Nothing in this Article XI. or any portion thereof shall impose any confidentiality restrictions on the Insured or otherwise be applicable to the Insured.

XII. EXCLUSIONS

The Insurer shall not be liable for any Loss in connection with a Covered Loan:

- (a) having a date of Default prior to the Effective Date of this Policy; or
- (b) that does not satisfy the Eligibility Criteria.

XIII. GENERAL CONDITIONS

- (a) **Arbitration** - Unless prohibited by Applicable Law, any controversy or dispute, including any Claim made under this Policy, arising out of or relating to this Policy, may, upon the mutual consent of all parties to the dispute, be settled by binding arbitration in accordance with the rules of the American Arbitration Association deemed most appropriate by such association. If this remedy is elected by all parties to the dispute, then the decision of the arbitrator shall be final and binding on all the parties and shall be enforceable in any court of competent jurisdiction in the United States of America. For the avoidance of doubt, no party shall be required to arbitrate any dispute under this Policy.
- (b) **Suit** -
- i. **Jurisdiction; Venue:** Any action, suit or proceeding with respect to any matter arising under or relating to this Policy, any agreement referenced herein, or the subject matter hereof, shall be brought and resolved in the courts of Washington, District of Columbia and/or the federal courts sitting in Washington, District of Columbia. Each of the Insurer and Insured hereby (1) irrevocably accepts, consents and submits, for itself and in respect of its properties, to the sole and exclusive *in personam* and *in rem* jurisdiction and venue of the courts of Washington, District of Columbia and/or the federal courts sitting in Washington, District of Columbia, generally and unconditionally, with respect to any such action, suit or proceeding and (2) expressly waives any claim of lack of personal jurisdiction and improper venue and any claim that any such court is an inconvenient forum.
- ii. **Service of Process:** The Insurer appoints [REDACTED] [REDACTED] as its agent and attorney-in-fact for receipt of process on behalf of the Insurer. The Insurer hereby agrees that process in any action, suit or proceeding instituted by or on behalf of the Insured, or any beneficiary hereunder, arising out of this Policy may be served on the Insurer by providing a copy of the complaint initiating such action, suit, or proceeding to the Insurer by U.S. mail or by hand delivery to such agent and attorney-in-fact. The Insurer hereby expressly waives any obligation that might otherwise exist that service be made by any other means or method.
- (c) **Parties in Interest** - This Policy shall be binding upon and inure to the benefit of the Insurer and its successors and permitted assigns and the Insured and its successors and permitted assigns. Neither the Borrower, nor the Servicer, nor any successor owner of a Property, nor any primary mortgage guaranty insurance insurer, nor any other Person is included or intended as a third-party beneficiary to this Policy.
- (d) **Assignment** - This Policy may not be assigned or transferred by either party without the prior written consent of the other party.
- (e) **Governing Law; Conformity to Statute** - This Policy shall be governed by, and construed and enforced in accordance with, the laws of Washington, District of

Columbia (without regard to any conflict of law rule that might apply the laws of any other jurisdiction). Any provision of this Policy that is in conflict with the laws of Washington, District of Columbia shall be amended by this Article XIII.(e) to conform to the minimum requirements of such law.

- (f) **Insolvency of Insured** - In the event of an insolvency of the Insured, and the appointment of a conservator, liquidator, receiver, administrator, trustee in bankruptcy or other Person to administer the estate of the Insured as a consequence of an insolvency, or appointment of a statutory successor to the Insured, the coverage afforded by this Policy shall be payable by the Insurer directly to such conservator, liquidator, receiver, administrator, trustee in bankruptcy or other Person appointed to administer the estate of the Insured as a consequence of insolvency, or such statutory successor, on the basis of the liability of the Insurer as provided in this Policy and without diminution because of the insolvency. No insolvency of the Insured and no act of any conservator, liquidator, receiver, administrator, trustee in bankruptcy or other Person administering the estate of the Insured as a consequence of an insolvency, or of any statutory successor, shall cause any liability of the Insurer hereunder to become due earlier or for a higher amount than would have been the case if such insolvency had not occurred or if such act had not been committed.
- (g) **Co-ordination and Duplication of Insurance Benefits** - The coverage under this Policy shall be excess over any mortgage guaranty insurance that may apply to a Covered Loan, regardless of the type of or the effective date of such other coverage.
- (h) **Electronic Data** - The Insurer and the Insured agree that each may originate, maintain, and share information, documents or other data (in this Article XIII.(h) referred to as "data") as electronic records using electronic media generally accepted as usual and customary for business records (e.g., e-mail, secure webportals) and that such data are as acceptable for all purposes under this Policy as data maintained in printed or written form, so long as the data is not denied legal effect or enforceability solely because it is in electronic form. Notices required by this Policy may be sent by electronic means and, if so sent, shall have the same effect as if sent in paper form.
- (i) **Non-Public Personally Identifiable Information** - Any disclosure of Non-Public Personally Identifiable Information shall comply with all state and federal statutes and regulations governing the disclosure of Non-Public Personally Identifiable Information. Disclosing or using such information for any purpose not authorized by Applicable Law is expressly forbidden without the prior written consent of the Insured.
- (j) **Public Statements** - The Insurer consents to the public disclosure of any or all terms of this Policy. The Insurer further agrees that it will not make any public statements, including press releases, about this Policy without the prior written approval of the Insured unless required by law or regulation, in which case the Insurer will give the Insured written notice no less than three (3) days in advance of such disclosure.
- (k) **Headings** - All headings in this Policy are for convenience only and shall not be used in interpreting the language of the Policy.

- (l) **Severability** - Each of the provisions of this Policy are severable and distinct from the others, and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Policy shall not in any way be affected or impaired thereby.
- (m) **Construction** - The doctrine of *contra proferentum* shall not be applied to construe this Policy against the Insured notwithstanding that the Insured has participated in its negotiation and drafting.
- (n) **Entire Agreement** - This Policy (including all exhibits hereto) constitutes the entire agreement between the Insured and the Insurer, and supersedes all prior agreements and understandings, both written and oral, among the Insured and the Insurer with respect to the subject matter of this Policy and the coverage provided hereunder.
- (o) **Premium and Tax Reporting; U.S. Foreign Account Tax Compliance Act** - The Premium amount(s) specified in the Declarations Page are due and payable as specified in the Declarations Page. The Premium payable upon issuance of the Policy and payable upon each Premium Payment Date is non-refundable.

Any United States federal excise tax ("FET") imposed in connection with this Policy shall be borne by the Insurer. The Insurer shall be responsible for timely filing or causing to be filed the FET tax return and withholding and remitting any FET as it becomes due. Notwithstanding any provision in the Policy to the contrary:

- i. All Premium paid shall be subject to any withholding or deduction imposed on such Premium payment pursuant to or on account of Sections 1471-1474 U.S. Internal Revenue Code of 1986, as amended, the Treasury regulations and other guidance issued from time to time thereunder and any intergovernmental agreements or legislation passed pursuant thereunder ("FATCA"), and no additional payment shall be required from the Insured, nor any Premium payment be increased on account of any such withholding or deduction. The Insured shall not be required to indemnify the Insurer on account of any loss, liability or cost imposed as a result of or otherwise arising from such withholding or deduction relating to FATCA.
- ii. If the Insured is required to make any deduction or withholding pursuant to or on account of FATCA and the Insured does not so deduct or withhold and a liability resulting from such failure to withhold or deduct is assessed directly against the Insured, then the Insurer will indemnify the Insured therefor and promptly pay to the Insured the amount of such liability. The Insurer's indemnification obligation hereunder shall include any related liability for interest and shall include any related liability for penalties.
- iii. Upon execution of this Policy, the Insurer agrees to deliver to the Insured IRS Form W-9 or the applicable IRS Form W-8. In addition, the Insurer agrees to deliver any forms or documentation or information reasonably requested in writing by the Insured in order for the Insured to comply with its obligations under FATCA with respect to the Policy including, for the

avoidance of doubt, any document establishing the Insurer's status under FATCA and any waiver that may be required to permit reporting of any "financial account" as defined under FATCA.

iv. The Insurer agrees to promptly update and deliver new copies to the Insured of any of the forms referenced in Article XIII.(o)(iii) if such forms become outdated or incorrect.

(p) **Notice and Communications** - All notices to the Insurer under any provision of this Policy shall be in writing and given by prepaid express courier, certified mail or fax, to:

[REDACTED]

All notices to the Insured under any provision of this Policy shall be in writing and given by prepaid express courier, certified mail or fax, to the place and the fax number indicated in the Declarations Page, with a copy of each such notice sent in writing and by the same means to:

[REDACTED]

Notice given as described above shall be deemed to be received and effective upon actual receipt thereof by the addressee or any Business Day following the date such notice is sent, whichever is earlier.

(q) **Amendments; No Waiver; Rights and Remedies** -

i. No condition or requirement of this Policy shall be deemed waived, modified or otherwise compromised unless that waiver, modification or compromise is stated in a writing properly executed by the party so waiving. Each of the conditions and requirements of this Policy is severable, and a waiver, modification or compromise of one shall not be construed as a waiver, modification or compromise of any other.

ii. No right or remedy of the Insurer provided for by this Policy shall be exclusive of, or limit, any other rights or remedies set forth in this Policy or otherwise available to the Insurer at law or equity.

iii. This Policy shall not be altered, modified or amended without the prior written consent of the Insurer and the Insured.

(r) **Certain Remedies -**

- i. The Insurer hereby knowingly and voluntarily waives any and all defenses to payment under this Policy that are based on misrepresentation and/or nondisclosure as to the subject matter of this Policy at or prior to the Insurer's execution and delivery of this Policy; provided, that to the extent there is a material breach by the Insured of its representations and warranties set forth in Article III(a), (b), (c), (d) or (j) with respect to any Covered Loan and losses suffered by the Insured with respect to such Covered Loan arise from, or relate to, the subject matter of such breach, such losses shall not constitute a Loss hereunder. The Insurer hereby knowingly and voluntarily waives and agrees not to seek rescission or termination of this Policy because of any actual or alleged misrepresentation and/or non-disclosure as to the subject matter of this Policy at or prior to the Insurer's execution and delivery of this Policy.
- ii. Except as expressly permitted in this Policy, the obligation of the Insurer to make payment is unconditional, irrevocable and non-cancellable by the Insurer for any reason. Except as to those rights expressly retained herein, the Insurer has waived, and agreed not to assert, any and all rights (whether by counterclaim, set-off or otherwise) and defenses (including any defense of fraud or any defense based on misrepresentation, breach of warranty, or non-disclosure of information by any Person) whether acquired by subrogation, assignment or otherwise to the extent such rights and defenses may be available to the Insurer to avoid payment of its obligations hereunder in accordance with the express provisions hereof.

(s) **Certain Reinsurance.**

The Insurer shall provide the Insured with written notice at least thirty (30) days in advance of the date upon which the aggregate of all amounts reinsured to one or more unaffiliated entities exceeds more than fifty percent (50.00%) of the liabilities assumed by the Insurer under this Policy.

XIV. DEFINITIONS; RULES OF CONSTRUCTION

(a) Certain Defined Terms: As used in this Policy, the following terms have the following meanings:

Advances - means those amounts paid by the Insured and related to the Covered Loan or Property for the following: (i) normal and customary hazard and/or homeowner's insurance premiums; (ii) taxes, assessments and other public charges imposed on the Property; (iii) solely in instances of Default, commercially reasonable and necessary expenses for protection and preservation of the Property; (iv) condominium fees, homeowner association dues and other pro-rated portions of shared fees related to the common areas attendant to the Property, to the extent ascertainable and necessary to maintain the priority of the first lien; (v) if the Covered Loan is secured by a Cooperative Property, maintenance fees, cooperative association dues and other pro-rated portions of shared fees related to the common areas attendant to the Cooperative Property, to the extent ascertainable; (vi) commercially reasonable and necessary expenses to complete a foreclosure alternative (e.g., a short sale or deed-in-lieu of foreclosure), including any incentives paid to the Borrower (e.g., the Insured's "Cash for Keys") and/or to the Servicer

to facilitate such alternative; and (vii) commercially reasonable and necessary expenses to complete foreclosure, eviction and Deficiency Judgment proceedings, as appropriate, including court costs and actual attorney's fees.

Aggregate Losses - means, as of any particular date, the sum of all Losses with respect to fully completed Notices of Claim submitted by the Insured to the Insurer on individual Covered Loans from the Effective Date to such particular date.

Aggregate Retention - means the amount of Aggregate Losses that shall be retained by the Insured before receiving insurance benefits under this Policy, as specified in the Declarations Page of this Policy. The Aggregate Retention shall be calculated by multiplying the Aggregate Retention Percentage by the Total Initial Principal Balance.

Aggregate Retention Percentage - means the percentage specified as such on the Declarations Page of this Policy.

Amount Due on MI - means the amount due to the Insured under a policy of primary mortgage guaranty insurance regardless of whether such amount has actually been paid to the Insured by the time the Insured submits a Claim to the Insurer under this Policy. For the avoidance of doubt, such amount: (i) shall be the amount calculated using the "percentage guaranty option" (or "percentage of loss" or other comparable term as used in the applicable mortgage guaranty insurance policy) specified when the applicable mortgage guaranty insurance coverage was originated; and (ii) shall not be reduced by the fact that the Covered Loan was insured by a mortgage guaranty insurance company that is making partial (or no) payments due to its financial inability or insolvency.

Applicable Law - means any controlling: (i) federal, state, local, or foreign law, statute ordinance, or common law; or (ii) rule, regulation, directive, judgment, order, writ, injunction, ruling, decree, arbitration award, agency requirement, license, or permit of any governmental authority.

Appraisal - means an appraisal or alternative method of valuation (such as an automated valuation model or AVM) used to determine the market value of a Property that complies with: (i) the valuation requirements of the Insured if the Covered Loan was required to be originated in compliance with the valuation requirements of the Insured; or (ii) customary mortgage loan origination practices that are acceptable to the Insurer if the Covered Loan was not required to be originated in compliance with the valuation requirements of the Insured.

Borrower - means any Person required to repay the debt obligation created pursuant to the Covered Loan. The Borrower may be more than one Person, and the term shall include any co-signer or guarantor of the Covered Loan.

Business Day - means any day that the Insurer is normally scheduled to be open for business.

Change in Control - means any purchase, exchange, merger or other transaction that would result in the acquisition of direct or indirect Control of (i) the Insurer by a nonaffiliated entity or (ii) any insurance holding company that controls the Insurer.

Claim - means the request to receive insurance benefits of this Policy filed in accordance with, and containing all information required by the Insurer pursuant to, Article V. (Claims and Reporting).

Claim Due Date - means the definition given to that term in Article V.(b) (Claims and Reporting).

Collection Activities - means activities pursued after Default for the purpose of mitigating Losses by obtaining funds from Borrowers. Such activities include, without limitation: (i) Borrower contributions in connection with a pre-foreclosure sale of a Property or the acceptance by the Insured of a deed to the Property in lieu of foreclosure; (ii) non-judicial efforts to pursue deficiencies against Borrowers after foreclosure; and (iii) judicial efforts to pursue deficiency judgments against Borrowers after foreclosure.

Control - means the direct or indirect possession of the power to direct or cause the direction of management and policies of the entity in question, through ownership of voting securities, securities convertible into voting securities, by contract or otherwise.

Cooperative Property - means a residential unit ownership of which is evidenced by ownership or membership in a cooperative housing corporation and the lease of such unit by the corporation to the stockholder or member, who shall be the Borrower.

Covered Loan - means any note or other evidence of indebtedness and the indebtedness it evidences, together with the mortgage, bond, deed of trust, or other instrument securing said indebtedness, that satisfies the Eligibility Criteria. The Covered Loans shall initially be identified on the Set-up File.

Current Principal Balance - means the unpaid principal balance of a Covered Loan as of the day immediately preceding the first (1st) day of the month for which the subsequent Monthly Premium is due and as reported in the applicable Monthly Servicing Report. For the avoidance of doubt, the unpaid principal balance of any Liquidated Covered Loan is excluded for purposes of calculating the subsequent Monthly Premium.

Declarations Page - means the cover pages of this Policy, signed by the Insurer, which extends the coverage indicated therein on the Covered Loans, subject to the terms, conditions, and limitations of this Policy.

Default - means the failure by a Borrower to pay when due a non-accelerated amount equal to or greater than one (1) regular scheduled payment due under the terms of a Covered Loan or the failure by a Borrower to pay all amounts due under a Covered Loan after the exercise by the Insured of the "due on sale" provision of such Covered Loan. Default does not mean any non-monetary default or violation of any other term or condition of the Covered Loan that would allow for acceleration of the debt or foreclosure or other action to realize upon the security provided by the Covered Loan. A Covered Loan is deemed to be in Default for the period for which, as of the close of business on the installment due date, a scheduled installment payment has not been made, as reported on the Monthly Servicing Report. For example, a Covered Loan is "four (4) months in Default" if the monthly installments due on January 1, February 1, March 1, and April 1 remain unpaid as of the close of business on April 1.

Default Amount - means the unpaid principal balance of a Covered Loan on the date of Default, excluding penalties. However, such amount does include: (i) amounts added to

such balance, if any, as a result of Negative Amortization or Modification; (ii) adding back any principal forgiveness amount that was subtracted as a result of Modification; and (iii) the amount, if any, that was discharged in a Chapter 13 bankruptcy "cramdown."

Deficiency Judgment - means a court judgment imposing personal liability on the Borrower for the unpaid amount remaining under the terms of a Covered Loan when the proceeds of a foreclosure sale of the Property securing the Covered Loan were insufficient to fully satisfy the outstanding debt.

Delivered - means, as used in the Selling Guide, a lender's sale of a mortgage loan to the Insured that the Insured conveys to a mortgage-backed security ("MBS") trust under the terms of the Insured's MBS program, or a lender's sale of a whole mortgage loan to the Insured that the Insured holds in its portfolio and may include in a later MBS pool that it forms.

Effective Date - means the date on which coverage under this Policy becomes effective as specified on the Declarations Page of this Policy.

Eligibility Criteria - means those conditions of coverage applicable to each Covered Loan as specified on the Declarations Page of this Policy.

Exclusions - mean those exclusions from coverage set forth in Article XII. (Exclusions).

Initial Principal Balance - means the unpaid principal balance of a Covered Loan on the Effective Date.

Insured - means the Insured identified on the Declarations Page of this Policy.

Insurer - means the Insurer identified on the Declarations Page of this Policy.

Limit of Liability - means the maximum amount of Aggregate Losses, exceeding the Aggregate Retention, for which the Insurer is responsible under this Policy. The dollar limit for the Limit of Liability is specified on the Declarations Page of this Policy. The Limit of Liability shall initially be calculated by multiplying the Limit of Liability Percentage by the Total Initial Principal Balance.

Limit of Liability Percentage - means the percentage specified as such on the Declarations Page of this Policy.

Liquidated Covered Loan - means a Covered Loan in Default where title to the Property securing such loan was transferred via foreclosure, deed-in-lieu of foreclosure or a Third-Party Sale and where a Claim has not yet been filed or where a Claim has been filed and is pending settlement. For avoidance of doubt, a Liquidated Covered Loan does not include any such loan where a Claim has been filed and settled. The date of any such title transfer shall be reported by the Insured to the Insurer in the Monthly Servicing Report.

Loss - means the liability of the Insurer with respect to a Covered Loan as calculated in Article VI. (Calculation of Loss), subject to the terms, conditions, and limitations of this Policy.

Loss-on-Sale Calculation - means the method of calculating the Loss pursuant to Article VI. (Calculation of Loss).

Mixed-Use Property - means a dwelling that features distinct functional use for both residential and commercial business purposes including, for example but not limited to, a two-story structure in which one floor serves as a commercial business (e.g., shop, office space, etc.) and the other floor serves as residential space for the owner of the dwelling and the commercial business.

Modification - means any change, unless such change is prescribed in the loan documents, to the: (i) amount of indebtedness (for example, capitalization of interest arrearages, principal forgiveness); (ii) interest rate; (iii) interest rate adjustment period; (iv) use of escrow funds or other funds; or (v) term or the amortization schedule of a Covered Loan.

Monthly Premium - means the amount to be paid by the Insured to the Insurer for the coverage afforded by this Policy, as specified on the Declarations Page of this Policy.

Monthly Premium Rate - means the premium rate so specified on the Declarations Page of this Policy to be used in computing the Monthly Premium.

Monthly Servicing Report - means an electronic file, substantially in the form of Exhibit D unless otherwise mutually agreed, containing all active Covered Loans and Liquidated Covered Loans, including information on the status of Covered Loans in Default. The Monthly Servicing Report shall be the sole means by which the Insured shall notify the Insurer of Defaults on Covered Loans and shall be the sole source for Covered Loan balances used to calculate Monthly Premium and Loss under this Policy. The Monthly Servicing Report shall be delivered to the Insurer in the format and manner that the Insured uses for its other insurance providers, which shall include notice of any Default on a Covered Loan if, within the month to which the Monthly Servicing Report relates: (i) the Borrower was two (2) months in Default on the Covered Loan; or (ii) any proceeding was commenced, including but not limited to foreclosure, which may affect the Covered Loan or the Property or the Insured's or Borrower's interest in the Covered Loan or the Property.

Negative Amortization - means the additions to the principal amount of a Covered Loan arising from the insufficiency of optional payments or regularly scheduled payments to cover interest as it accrues against the principal amount of the Covered Loan as provided for in the loan documents relating to the Covered Loan.

Net Default Interest - means the remainder calculated pursuant to Article VI.(b)(ii) (Calculation of Loss).

Net Interest Rate - means interest at the contract rate stated in the Covered Loan (or as otherwise subject to Modification in accordance with the Servicing Guide, as provided in Article III.(c) (Representations and Warranties of the Insured)), less the greater of (i) thirty-five hundredths of one percent (0.35%) or (ii) the actual Servicing Fee for the Covered Loan.

Non-Public Personally Identifiable Information - means such term or similar term as defined under Applicable Law.

Notice of Claim - means the Claim submission form specified in Exhibit B of this Policy.

Original Value - means the lesser of the sales price of the Property (only applicable in the case of a Covered Loan made to finance the purchase of such Property) or the market value of the Property established by an Appraisal, which value was obtained by the loan originator in connection with the Covered Loan at the time it was originated.

Person - means any natural person, or any corporation, partnership, association or other legally-recognized entity.

Policy - means this contract of insurance together with the Exhibits and the Declarations Page, which are incorporated herein and made part of this Policy with respect to the Covered Loans to which they relate.

Policy Period - means the period specified as such on the Declarations Page of this Policy.

Property - means the Residential real property and all improvements thereon including any chattel items (including any built-in appliances) which are an element of the market value stated in the Original Value, including all replacements or additions to the chattel items, together with all easements and appurtenances, all rights of access, all rights to use (as well as any co-ownership interests in) common areas, recreational and appurtenant facilities, and all replacements or additions to those items.

Rating - means the financial strength rating of the Insurer by either A.M. Best or Standard & Poor's.

Remaining Aggregate Retention - means the Aggregate Retention reduced by Aggregate Losses.

Remaining Limit of Liability - means, as of any particular date, the Limit of Liability as reduced by Aggregate Losses actually paid to the Insured by the Insurer in excess of the Aggregate Retention.

REO Sale - means a sale of a Property by the Insured after foreclosure or after receipt from the Borrower of a deed-in-lieu of foreclosure.

Required Collateral Percentage - means the percentage identified as such on Schedule 1 to this Policy based on the lower of the Insurer's A.M. Best or Standard & Poor's Rating.

Residential - means

- i. a type of building which is designed for occupancy by not more than four (4) families, or
- ii. a single condominium or planned unit development unit, or
- iii. a Cooperative Property, or
- iv. a Mixed-Use Property, provided that the mixed-use represents a legal, permissible use of the Property under local zoning requirements, the Borrower occupies the Property as a principal residence, the Borrower is both the owner and operator of the

commercial business located in the building, and the Property is primarily intended for residential use, or

- v. any other single residence unit as to which good and merchantable title may be held or conveyed freely under law (including but not limited to manufactured housing).

Security Incident - means any unauthorized action by a known or unknown Person which, if attempted, threatened, or successfully completed, could reasonably be considered one of the following: an attack, penetration, denial of service, disclosure of confidential customer or other sensitive information, misuse of system access, unauthorized access or intrusion (hacking), virus intrusion, scan of systems or networks, or any other activity that could affect systems or data, or the security, confidentiality or integrity of information received, stored, processed, or maintained.

Selling Guide - means the Insured's single family Selling Guide, as such guide existed at the time the Covered Loans were Delivered to the Insured.

Servicer - means that Person, other than a natural Person, that at a given time is servicing a Covered Loan (or acting as a master servicer, if subservicing is also involved) on behalf of the Insured and pursuant to the Servicing Guide and any applicable delegation of authority that the Insured may have made to the Servicer to perform loss mitigation without the prior approval of the Insured. Actions required by this Policy to be performed by the Insured may, at the option of the Insured, be performed by a Servicer. The Servicer acts on behalf of the Insured in performing acts under this Policy.

Servicing Fee - means that portion of the contract rate of interest, as such contract rate is stated in the Covered Loan (or as otherwise subject to Modification in accordance with the Servicing Guide, as provided in Article III.(c) (Representations and Warranties of the Insured), which is retained by the Servicer of the Covered Loan to compensate it for its responsibilities and actions as Servicer of the Covered Loan.

Servicing Guide - means: (i) the Insured's single family Servicing Guide, as such guide currently exists or as it may be periodically amended by announcement, lender letter, notice, or other Servicer communication, for general application to single-family loans serviced by all of the Insured's servicers; and (ii) any exceptions, pilots, or variances to the Servicing Guide authorized by the Insured.

Set-up File - means the electronic data submission from the Insured to the Insurer that provides loan level information regarding the initial population of Covered Loans insured under this Policy. The Set-up File shall be delivered to the Insurer in the format and manner that the Insured uses for its other mortgage guaranty insurance providers between the tenth (10th) and twenty-fifth (25th) day of the month following the month in which the Effective Date occurs.

Termination Date - means the date on which this Policy terminates as specified on the Declarations Page of this Policy, or as effected in Article VIII. (Cancellation).

Third-Party Sale - means

- i. a sale of a Property arranged by the Servicer and/or by the Borrower, and approved by the Insured or by the Servicer on behalf

of the Insured pursuant to a delegation of authority from the Insured, prior to foreclosure, or

- ii. a foreclosure or trustee's sale of a Property to a third party at a price equal to or greater than the minimum bid established and submitted by the Servicer.

Total Current Principal Balance - means the sum of the unpaid principal balance of all Covered Loans as reported in the applicable Monthly Servicing Report. For the avoidance of doubt, the unpaid principal balance of all Liquidated Covered Loans is excluded for purposes of calculating the renewal Monthly Premium.

Total Initial Principal Balance - means the sum of the Initial Principal Balance of all Covered Loans, as stated on the Declarations Page of this Policy.

(b) Additional Definitions. The following terms have the meanings set forth in the Articles set forth below:

<u>TERM</u>	<u>SECTION</u>
Additional Policy	Article I.(c)
Aggregate Remaining Limit of Liability	Article I.(h)(iv)
Claim Due Date	Article V.(b)
Confidential Information	Article XI.(a)
Privilege	Article XI.(g)
Proceedings	Article II.(h)
Rating	Article I.(e)
Relevant Policy	Article I.(c)
Required Collateral Percentage	Schedule I
Trust Account	Article I.(b)
Trust Agreement	Article I.(b)
Trust Funding Obligation	Article I.(c)

(c) Rules of Construction. Except to the extent that the context otherwise requires:

- i. when a reference is made herein to an Article, Exhibit or Schedule, such reference is to an Article of, or an Exhibit or Schedule to, this Policy unless otherwise indicated;
- ii. whenever the word "include", "includes" or "including" is used in this Policy, it is deemed to be followed by the words "without limitation";
- iii. the words "hereof", "herein" and "hereunder" and words of similar import, when used in this Policy, refer to this Policy as a whole and not to any particular provision of this Policy;
- iv. all terms defined in this Policy have their defined meanings when used in any notice or other document made or delivered pursuant hereto, unless otherwise defined therein;

- v. definitions of terms are applicable to the singular as well as the plural forms of such terms, and other grammatical forms of such terms have corresponding meanings;
- vi. if any action is otherwise to be taken pursuant to this Policy on a day which is not a Business Day, such action shall be taken on the next Business Day following such day;
- vii. references to a Person are also to its permitted successors and assigns;
- viii. references to any statute, regulation, or rule, or to a provision of any statute, regulation, or rule, are to such statute, regulation, rule or provision as amended from time to time, and at any time, includes any successor statute or provision, as the case may be and references to any agreement are to such agreement as amended and in effect from time to time, and at any time;
- ix. the use of the word "or" is not intended to be exclusive unless expressly indicated otherwise;
- x. pronouns, when used in this Policy, shall mean the singular or plural, masculine or feminine, as the context requires; and
- xi. for the avoidance of doubt, any reference herein to the Trust Funding Obligations or the Aggregate Remaining Limit of Liability shall mean such amount as determined from time to time, and at any time.

EXHIBIT A

Form of Trust Agreement

EXHIBIT B

NOTICE OF CLAIM

(Date)

Re: Notice of Claim

Pursuant to the terms of the Aggregate Excess of Loss Credit Insurance Policy issued by [REDACTED] on February 1, 2016 (the "Policy"), the undersigned authorized representative of the Insured hereby submits this Notice of Claim in accordance with the terms of the Policy in order to provide required information with respect to Claims and obtain payment of the associated Losses. Terms not defined here shall have the meanings set forth in the Policy.

UPB/Count at Final Liquidation		
Net Default Interest		
Expenses FCL Costs		
Expenses Property Preservation		
Expenses Eviction Costs		
Expenses Insurance / Escrow		
Expenses Taxes		
Expenses Unassigned		
Sale Proceeds		
MI Proceeds (Amount Due)		
Repurchase Makewhole Proceeds		
Other Proceeds		
Net Loss/Claim Filed Amount	\$0.00	\$0.00
	Original Aggregate Retention	
	Remaining Aggregate Retention	\$0.00
	Original Limit of Liability	

Remaining Limit of Liability

\$0.00

EXHIBIT C

Loss Calculation Example

Third-Party Sales and REO Sales	
Original Value	\$ 280,000
Coverage Effective Date LTV	90%
Initial Principal Balance	\$ 252,000
Default Amount	\$ 248,000
Net Default Interest	\$ 15,000
Advances	\$ 4,500
MI and Other Credits	\$ (78,950)
Net Proceeds of Sale	\$ (170,000)
Loss-on-Sale Calculation	\$ 18,550
Loss	\$ 18,550
Amount of Loss included in Aggregate Losses	\$ 18,550

EXHIBIT D

Form of Monthly Servicing Report*

Plcy_ID
FnMae_Ln_ID
Cert_No
Ln_UPB_Ownd_Amt
Ln_Curr_LPI_Dt
Inst_Long_Nme
Svr_ID
Ln_Curr_Actn_Cd
Ln_Liqdn_Dt
Deal_Obj_ID
Ln_Delqcy_Stat_Cd
Brwr_Curr_Delqcy_Rsn_Cd
Bnft_Cash_Amt
Bnft_Non_Cash_Amt
CE_Ln_St_Cd
Ln_Mdfc_Cd
Ln_Mdfc_Eff_Dt

*Detailed file specifications to be provided by Fannie Mae **SCHEDULE 1**

REQUIRED COLLATERAL PERCENTAGE

Ratings	Collateral %
<ul style="list-style-type: none"> • Standard & Poor's rating equal to AA- or higher, and • A.M. Best Rating equal to A+ or higher 	20%
<ul style="list-style-type: none"> • Standard & Poor's rating equal to A- through A+, and • A.M. Best Rating equal to A- or higher; <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> • Standard & Poor's rating equal to A- or higher, and • A.M. Best Rating equal to A- through A 	25%
<ul style="list-style-type: none"> • Standard & Poor's rating equal to A- or higher, and • No A.M. Best Rating; <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> • No Standard & Poor's rating, and • A.M. Best Rating equal to A- or higher 	40%
<ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB through BBB+, and • A.M. Best Rating equal to B or higher; <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB or higher, and • A.M. Best Rating equal to B through B++; <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB through BBB+, and • No A.M. Best Rating <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> • No Standard & Poor's rating, and • A.M. Best Rating equal to B through B++ 	50% with Premium Capture
<ul style="list-style-type: none"> • Standard & Poor's rating equal to BBB- or below; <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> • A.M. Best Rating equal to B- or below; <p style="margin-left: 20px;">Or</p> <ul style="list-style-type: none"> • No Standard & Poor's rating, and • No A.M. Best Rating 	75% with Premium Capture

Notwithstanding any Rating of the Insurer, after the occurrence of any Termination Event with respect to the Insurer, the Required Collateral Percentage shall be 75% and Premium Capture will apply. Notwithstanding the foregoing, this provision shall not apply to the Termination Event defined in Article VIII(c)(vii) of the Special Termination Article.

The term "Premium Capture" means that all premium payable under this Policy to the Insurer by the Insured shall be paid by the Insured, in full and without deduction or the right to issue a Withdrawal Notice to the Trustee under Article 1., to the Trust Account until such time as the aggregate amount deposited into the Trust Account by the Insurer (directly or by the payment of premium otherwise payable to the Insurer into the Trust Account) is equal to 100% of the Insurer's Aggregate Remaining Limit of Liability. In the event the Insurer is subject to Premium Capture, it shall not file any Withdrawal Notice to the Trustee under Article 1., unless, and only in the amount, the aggregate amount deposited in the Trust Account exceeds 100% of the Insurer's Aggregate Remaining Limit of Liability.

The "Termination Event Percentage" shall be 75%.