

Schedule “A”

Genworth Financial Mortgage Insurance Company Canada Data Submission and Retention Schedule

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A) INTRODUCTION

1. Overview

This Data Submission and Retention Schedule (formerly the Genworth Financial *Excel™* Program Procedures) is Schedule “A” to the Electronic Commerce Endorsement of the Master Policy of Genworth Financial Mortgage Insurance Company Canada (“**Genworth**”) Genworth’s *Excel™* represents a two-way electronic communication vehicle designed to accommodate the processing of the majority of residential mortgage insurance applications on a fully paperless basis. The electronic process benefits both Genworth and participating lender institutions (“**Lender**”) through increased productivity, faster turnaround time on insurance decisions, and improved data integrity.

Genworth underwrites each application for eligibility for mortgage insurance using Genworth’s current underwriting guidelines. The efficiency of turnaround time on applications through Genworth’s automated underwriting and decision making technologies relies heavily on the accuracy and validity of the application data submitted by each Lender and the data exchange process with the Lender.

In order to eliminate the need for the Lender to forward routine documentation at the time of underwriting, each Lender is responsible for the performance of verifications at the time of underwriting, and subsequent retention of verification information (income, employment, credit, down payment, review of offer to purchase, etc.). All applications submitted to Genworth will have been approved by the Lender in accordance with the Lender’s standard underwriting practice.

In the case of applications for the insurance of newly constructed residences, the Lender continues to be responsible for the verification of completion of the residence to acceptable quality levels and in accordance with the borrower submitted plans and specifications. The Lender determines the method(s) of verification which are deemed acceptable to it. Methods may include, but are not limited to, a final inspection report completed by an appraiser, a certificate of possession or occupancy, or a new home warranty completion inspection certificate.

All Genworth *Excel™* insurance applications will be processed on a “Full Service” basis. “Full Service” is an insurance application format whereby Genworth is responsible for the underwriting of the real estate collateral.

2. Lender Eligibility

Eligibility to participate in the Genworth *Excel™* program is restricted to Genworth approved Lenders who:

- demonstrate prudent lending practices (as evidenced by detailed underwriting guidelines, acceptable Genworth default rates, and satisfactory historical portfolio profile and performance);
- have the technological capability to pass and receive the minimum data requirements electronically;
- have entered into Genworth’s formal business agreements, including a Master Policy; and
- agree to obtain legally required written consent from respective borrowers and guarantors to allow Genworth access to all personal information relating to the mortgage application inclusive of credit bureau information.

3. *Lender Roles and Responsibilities*

Before transmitting an application to Genworth, each Lender is required to perform its normal underwriting procedures. Prior to funding the Lender must complete all routine confirmations and verifications. The Lender's underwriting procedures will ensure that only applications which meet the Lender's and Genworth's usual underwriting standards and product definitions are electronically forwarded to Genworth. Verifications or other information must be available to Genworth on request, when required for the following purposes:

- underwriting decisions on new applications, or requested amendments;
- to accommodate Genworth's regular quality assurance reviews;
- file reviews in the event of early term default (24 months); and
- to comply with all applicable legal requirements and guidelines.

Genworth will endeavour to provide the Lender with reasonable prior notice before requesting access to such information.

Property/Offer to Purchase Considerations:

The Lender is responsible for the accuracy and verification of all data submitted to Genworth. At the time of application or subsequently discovered, the Lender must advise Genworth of any deficiencies to the property as identified through the review of the MLS listing or offer to purchase agreement, environmental assessment report, or otherwise. Of particular concern are price inflating incentives such as cash back offers. The cash-back provision is not to be used as any part of the down payment unless it is part of a Genworth approved affordable housing program.

On applications for purchase transactions, part of Genworth's usual data requirement will be an indication as to whether or not the property was sold via an MLS listing. This information is key to Genworth's automated collateral risk assessment.

In advance of the transmission of the application electronically to Genworth, the Lender must provide the borrower(s) and guarantor(s) with written notice, a copy of which must be signed by the borrower(s) and guarantor(s) in acknowledgement of having understood and consented to its contents which states as follows:

"The granting of the Loan or any part thereof by a Lender, or approval for insurance by Genworth is not to be construed or relied on by the borrower(s) and any guarantor(s) as representing a confirmation of the value or condition of the underlying property, whether or not appraisals or inspections are carried out by or for Genworth; nor is it to be construed or relied on by the borrower(s) or any guarantor(s) as representing a confirmation of the ability of the borrower(s) and any guarantor(s) to repay the Loan."

Borrower's Personal Information:

Prior to submitting an application to Genworth for consideration, the Lender must ensure that the borrower(s) or guarantor(s) have executed, in writing, an appropriate disclosure and consent form, in accordance with all laws of the applicable jurisdictions, which authorizes Genworth to receive (or obtain directly) personal and credit bureau information for Genworth's insurance underwriting or related purposes. All personal information obtained by Genworth will be held in confidence by Genworth or its applicable third party service providers and will not be released to any third party except where required by law.

As well, each Lender is responsible for:

- ensuring the continued accuracy and integrity of the application data submitted electronically to Genworth, inclusive of application amendments following Genworth's approval; and
- timely advice as to future material Lender underwriting policy changes.

4. Genworth's Role and Responsibilities

Genworth will:

- verify that the minimum required electronic data is received by Genworth and conforms to Genworth's information requirements;
- request and receive any additional required information/documentation for underwriting purposes (over and above electronic data) from the Lender prior to approval;
- verify that borrower, property and application characteristics conform to:
 - Genworth's established underwriting guidelines, and
 - negotiated business understandings as outlined in the "Electronic Commerce Endorsement";
- provide the Lender with timely written advice of any future changes in underwriting policy or underwriting process; and
- endeavour to settle each application electronically inclusive of providing the Genworth reference number.

B) BUSINESS ARRANGEMENTS AND UNDERSTANDINGS

Genworth will underwrite all applications in accordance with Genworth's established underwriting guidelines. The following sections highlight eligible and ineligible application types and characteristics, together with identification of application characteristics for those applications which will normally be assessed more closely due to higher risk factors. Please see product overviews for specific information for each product.

1. Eligible Application Types and Characteristics

Below are the eligible application types and characteristics:

- first and second mortgages;
- owner occupied and rental properties;
- secondary occupancy and vacation properties;
- existing and new construction;
- maximum 4 units;
- freehold, leasehold, condominium;
- maximum amortization;
 - LTV > 80%: Up to 25 years,
 - LTV <= 80%: Up to 40 years;
- single advance (completion loan);
- new construction progress advances;
- blended instalments of principal and interest with frequency of no greater than monthly; and
- fixed rate loans and Genworth approved variable rate mortgage programs.

Maximum Loan to Value Ratio's

Below are the maximum loan to value ratios for various products (including Genworth approved capped variable rate mortgages):

- Purchase and Purchase Plus Improvements up to 95% loan to value maximum:
 - single unit purchase transactions up to 95% loan to value maximum,
 - duplex purchase transactions up to 95% loan to value maximum;
 - three to four units purchase transactions up to 90% loan to value maximum;
- refinances and renovation loans up to 80% loan to value maximum; and
- special products have varying loan to value ratio limits. Refer to product overviews for maximums.

2. *Ineligible Application Characteristics*

Applications involving the following characteristics are not insurable and should not be submitted for insurance coverage:

- commercial properties (either zoned commercial or being used for commercial purposes);
- >4 units;
- non-landed immigrants (unless approved under the New to Canada program);
- mobile Homes (unless pre-fabricated or factory built residential dwelling units with permanent foundations and permanent water and sewage connections); or
- applications not meeting the Lender's underwriting guidelines.

3. *Applications Requiring Detailed Underwriting by Genworth*

Genworth will make every effort to process applications on a fully electronic basis. However, Genworth underwriters reserve the right on any application to request, as deemed necessary, additional information and/or copies of employment, income and credit verifications, credit bureau reports, offers to purchase or other routine documentation in advance of making a determination on an application. On certain application types (usually representing higher risk), Genworth underwriters will perform more detailed underwriting, and therefore these applications will not normally be eligible for a fully electronic (paperless) process.

On applications involving new construction, copies of offers to purchase may be requested by the Genworth underwriter in order to facilitate the underwriting of unique builder incentives, to confirm new home warranty coverage, or to accommodate Genworth's Full Service valuation process.

Genworth will fully underwrite, on request, any complete and documented application package submitted by the Lender. Genworth underwriters will also provide consultative service on marginal or unique applications in order to determine acceptability to Genworth.

4. *Electronic Data Integrity*

It is the Lender's responsibility to ensure the accuracy of the data being passed electronically to Genworth. In the event that changes in the application characteristics occur at or after Genworth approval, but prior to advance, these changes must be promptly provided to Genworth electronically. Changes to critical Genworth fields will require Genworth approval prior to loan advance, failing which Genworth's commitment to insure may be considered null and void at the sole discretion of Genworth.

5. *Quality Assurance*

On a regular basis, a maximum of 3% of a Lender's business processed by Genworth may be selected, on a random or pre-selected basis for detailed file reviews. These reviews may be conducted on the Lender's premises (or wherever the applications are located during normal business hours) upon 15 days prior written notice, or, may be completed by the delivery of all required documentation in a format agreeable to both Genworth and the Lender. The Lender will provide Genworth with access to all requested applications at such time. The purpose of Genworth file reviews is to ensure compliance with negotiated arrangements and regulatory standards, confirm that acceptable judgement is being exercised, and that prudent and agreed upon underwriting standards are being applied relative to application documentation, and underwriting performance (down payment verification, credit checks, identity verification and income and employment verifications, etc.). Additionally such reviews will be:

- To confirm that prior to funding:
 - the application has been underwritten by the Lender and meets the Lender's usual underwriting and product guidelines; and
 - the required application data has been accurately transmitted to Genworth.
- to identify any issues where clarification of business understandings is required; and
- to confirm that the Lender's loan files can be located and contain required and agreed upon documentation inclusive of verifications, borrower consent credit reports or other required information.

Where specific underwriting concerns are identified, additional file reviews may be requested to further evaluate respective issues. In situations where serious underwriting deficiencies are noted, special follow up reviews and/or meetings may be required outside of the normally scheduled file reviews.

6. *Insurance Commitment Expiry/Revocation*

Under the Genworth *ExceTM* program, electronically issued commitments will expire as follows:

Purchases

- a) Existing housing – 12 months from date of approval
- b) New construction – 24 months from date of approval

Refinances

Existing housing - 90 days from the date of approval

On request, Genworth will consider extensions of the expiry date on a case-by-case basis. Genworth reserves the right to revoke any commitment issued by Genworth where the information provided to Genworth with respect to an application is incorrect or invalid.

7. Documentation Requirements / Retention

As part of their due diligence, Lenders are expected to exercise sound loan documentation practices as a condition of mortgage insurance coverage. In accordance with prudent underwriting practices and in compliance with Genworth policies, Lenders are responsible for retaining on file documentation and details to support new loans and changes to existing insured loans (**‘Documents’**) for the length of time that the insurance coverage is in place. In all cases it would be expected that Lenders would retain documentation that supports the event, borrower assessment, property assessment and any other applicable documents required to substantiate the loan application. Where an insured loan is transferred to another Lender, the originating lender is expected to maintain complete documentation for a minimum of seven (7) years following the initial originating date of the mortgage loan insurance. The expectation for any additional Documentation retention by the Lender would be based on the additional “risk” that the event poses to the mortgage insurer.

Lenders are expected to meet specific documentation requirements in accordance with Genworth policies for homeowner loans. The following table summarizes Genworth documentation requirement for specific events:

Event	Documentation Requirements		
	Documentation to support the event	Documentation to support borrower assessment	Documentation to support property assessment
Purchase of New or Existing Housing	Yes	Yes	Yes
Refinance	Yes	Yes	Yes
Straight Portability	Yes	*	Yes
Portability with Increase	Yes	Yes	Yes
Transfer of Mortgage/ Switch	Yes	*	*
Mortgage Assumption	Yes	Yes	*

* Lenders are expected to act prudently in observing their lending practices to satisfy themselves of the quality of the loan.

The following outlines the minimum documentation requirements an Approved Lender must obtain and retain on file in support of a loan application submitted for insurance, including but not limited to:

Documentation to Support the Event

- Complete and signed offer to purchase/agreement of purchase and sale / bill of sale (including all schedules, amendments and waivers);
- signed mortgage loan application and loan agreement/commitment including loan conditions (as applicable);
- verification of outstanding balance of existing mortgage;
- pay-out statements, as applicable;
- solicitor’s final report confirming funding and conditions of funding;

- evidence of marketable title or title insurance (e.g. solicitors title search, certificate of title insurance or survey certificates);
- all security documentation legal in nature (e.g. mortgage, leases, survey certificates, etc.);
- all related Genworth reference numbers;
- verification of borrower(s)/guarantors(s) identity;
- verification of intended use (i.e. statutory declaration, etc. to confirm occupancy).

Documentation to Support Borrower Assessment

- verification of income/employment for prospective borrower(s)/guarantor(s);
- verification of non-permanent resident(s) work permit;
- signed guarantor agreement, as applicable;
- verification of source of down payment/equity, as applicable;
- verification of key inputs used to calculate debt service ratios (e.g. heating costs, taxes, condo fees, and other debt obligations);
- credit report or verification of creditworthiness for prospective borrower(s)/guarantor(s);

Documentation to Support the Property Assessment

- verification of property characteristics (e.g. listing agreement, appraisal report, photos);

As Applicable

- list of improvements, quotes, cost estimates and plans for new construction, purchase plus improvement or renovations;
- verification of completion of improvements (new construction, purchase plus improvements or renovation applications)
- evidence of the home being registered under a Lender approved new home warranty program;
- rationale for release of additional security;
- lease or rental lease documents and evidence of review;
- engineers report or other technical reports pertaining to the mortgaged property;
- verification of property/underlying security value (i.e. appraisal);
- Environmental Site Assessment (ESA) report(s);
- an acceptable water potability certificate and/or waste water treatment where public water supply facilities are not available;
- documentation confirming Genworth conditions for registering mortgages (or charges) in second position are met.

C) APPLICATION AND RESPONSE PROCESS

1. *General*

Lender will submit application data electronically to Genworth, with required data elements and in the format previously determined by the Lender and Genworth. Genworth can receive data from a Lender 24 hours a day, 7 days a week. The electronic adjudication of applications, is performed from 6:00 a.m. to 1:00 a.m. Eastern Time, Monday to Sunday. All applications received will be evaluated for insurance eligibility in accordance with Genworth’s usual underwriting guidelines. The level of Genworth underwriting will vary commensurate with individual application risk characteristics.

2. *New Application Process*

On receipt of an application by Genworth, the Lender will receive one of the following six basic electronic responses:

Genworth Electronic Response
“ Approved ” (including message text relative to any “conditions”)
“ Referred to Underwriter ” (for applications requiring Underwriter involvement)
“ Declined ”
“ Error ” (if data errors detected, including a message/error code)
“ Received ” (for applications which are received outside of electronic processing hours)
“ Cancelled ” (in response to Lender’s electronic request to cancel the application)

Detailed Genworth Response Information:

In all cases Genworth will provide the following information:

- Genworth Electronic Response type (Approved, Declined, etc.);
- institution number;
- transit number (submitting branch);
- Genworth reference number;
- application type;
- borrower name; and
- Lender loan number.

In addition, if the application is approved Genworth will provide the following information:

- total loan amount insured;
- coverage percentage (%);
- premium amount;
- fee amount due (if any);
- tax amount;
- total amount due;
- commitment expiry date; and
- blended amortization (if applicable).

3. Amendments to Insurance Commitments

For amendments to commitments issued by Genworth, the Lender will electronically resubmit the application with any data changes prior to the Lender advancing any funds. An electronic response will be generated by Genworth. When required, the amendment request will be forwarded to a Genworth underwriter for re-underwriting. Upon dispositioning an electronic message will be generated to the Lender.

4. Withdrawal / Cancellation

To withdraw or cancel a request for mortgage insurance, the Lender will electronically generate and transmit a cancellation message to Genworth.

5. Genworth Help Line

Genworth provides “Help Line” facilities for Lenders at **1-800-511-8888**.

6. *Turnaround Time /Service Expectations on Applications*

Genworth's turnaround time is contingent on the level of underwriting scrutiny which is applied to a specific case. Genworth uses a number of real estate risk validation processes internally resulting in a range of turnaround times from less than a minute to 24 hours. The valuation/appraisal approach performed will impact the turnaround time, particularly on those cases at each end of the property quality spectrum (e.g. properties which have very high values as well as those which have low values). Access to properties where full internal appraisals are required will influence final turnaround time. Lenders should be prepared to assist with providing property access to Genworth appraisers to minimize any delays.

The level of data accuracy is the most important factor in determining turnaround time for each application. All data elements with particular emphasis on a full property address including the postal code, the borrower's current residential address and social insurance number (where provided).

7. *Lender Portfolio Reports*

On request, Genworth can provide Lenders with management reports which profile the loan characteristics of approved loans during a specific time frame for most designated geographic areas.

D) CONFLICTS

In the event of any conflicts between the terms of this Schedule "A" to the Electronic Commerce Endorsement of the Master Policy of Genworth and the terms of the main body of the Master Policy of Genworth, the terms of the main body of the Master Policy will govern.