

MI Cancellation Made Easy

Your guide to MI cancellations and refundability

Use this guide to help determine refundability of MI premium in the event of cancellation or termination. Log on to our website at miservicing.enact.com to streamline cancellations (individual loans or bulk), to determine premium refund or amount owed, and to view past cancellations.

| Premium Payment Plan | Refundability | Cancellation Reason | Non-HPA | HPA | Refund Logic |
|--|----------------|---------------------|----------------------------|-----------|---|
| BORROWER PAID Zero Monthly (Deferred) | Refundable | LTV Drop/ HPA | Pro-rated | Pro-rated | See Monthly refund logic to determine unearned premium refund or remaining premiums due post cancellation. |
| | | Loan Paid in Full | Pro-rated | Pro-rated | |
| | Non-Refundable | LTV Drop/ HPA | N/A | Pro-rated | If deferred premium is not paid before receipt of cancellation notice, Enact may deduct any applicable deferred premium from the unearned premium refund. Deferred premium: Divide the original premium by the days in the month of loan closing and multiplying by the number of days between the loan closing date and the first premium due date. |
| | | Loan Paid in Full | N/A | N/A | |
| BORROWER PAID Monthly | Refundable | LTV Drop/ HPA | Pro-rated | Pro-rated | Pro-rated: Count the number of days of premium due (begin with next Premium Due date but not include the Cancellation Effective Date) or refund (begin with Cancellation Effective Date but not include the next Premium Due Date) within a calendar month. Divide premium amount (plus applicable taxes) by the number of calendar days in each month. Multiply the monthly per diem rate by the number of days of premium due or refund. Total each monthly amount to determine final premium due or refund. Additional calculations may be required for Level loans with a 10- year rate drop. |
| | | Loan Paid in Full | Pro-rated | Pro-rated | |
| | Non-Refundable | LTV Drop/ HPA | N/A | Pro-rated | |
| | | Loan Paid in Full | N/A | N/A | |
| BORROWER PAID Annual | Refundable | LTV Drop/ HPA | Annual Short Rate Schedule | Pro-rated | Pro-rated: Divide the current premium amount (plus applicable taxes) by 365 to determine the per diem rate. Then, multiply the per diem rate by number of days between the premium due date and the cancellation effective date to determine the refund or additional premium due. |
| | | Loan Paid in Full | Annual Short Rate Schedule | Pro-rated | |
| | Non-Refundable | LTV Drop/ HPA | N/A | Pro-rated | |
| | | Loan Paid in Full | N/A | N/A | |

Your guide to MI cancellations and refundability *(continued)*

| Premium Payment Plan | Refundability | Cancellation Reason | Non-HPA | HPA | Refund Logic |
|---------------------------|----------------|---------------------|--|--|---|
| BORROWER PAID Single | Refundable | LTV Drop/ HPA | See Applicable Refund Schedule | See Applicable Refund Schedule | For policies subject to Enact's Term of Coverage 78% LTV Endorsement under any applicable Master Policy, all premiums are considered earned if terminated due to the Automatic Termination provision of the Homeowners Protection Act (1998). |
| | | Loan Paid in Full | See Applicable Refund Schedule | See Applicable Refund Schedule | |
| | Non-Refundable | LTV Drop/ HPA | N/A | See Applicable Refund Schedule | |
| | | Loan Paid in Full | N/A | N/A | |
| BORROWER PAID Split | Refundable | LTV Drop/ HPA | See Applicable Refund Schedule +/- Pro-rated | See Applicable Refund Schedule +/- Pro-rated | If it is determined that there is an additional premium due for the renewal portion of the Split MI certificate, it will be deducted from any applicable unearned premium refund for the upfront premium payment. |
| | | Loan Paid in Full | See Applicable Refund Schedule +/- Pro-rated | See Applicable Refund Schedule +/- Pro-rated | |
| | Non-Refundable | LTV Drop/ HPA | See Applicable Refund Schedule +/- Pro-rated | See Applicable Refund Schedule +/- Pro-rated | |
| | | Loan Paid in Full | N/A | N/A | |
| LENDER PAID Premium Plans | Refundable | LTV Drop/ HPA | N/A | N/A | There is no unearned premium to refund upon cancellation of a Lender Paid MI Policy. |
| | | Loan Paid in Full | N/A | N/A | |
| | Non-Refundable | LTV Drop/ HPA | N/A | N/A | |
| | | Loan Paid in Full | N/A | N/A | |

NOTE: Any overpayment of MI Premium will be refunded to the billing servicer of record.

Answers to your frequently asked questions

Q. Where can I learn more about the Homeowners Protection Act of 1998 (HPA)?

A. The CFPB provided a bulletin in August 2015 regarding HPA. It is posted online [here](https://www.consumerfinance.gov/about-us/newsroom/cfpb-provides-guidance-about-private-mortgage-insurance-cancellation-and-termination/): (link to <https://www.consumerfinance.gov/about-us/newsroom/cfpb-provides-guidance-about-private-mortgage-insurance-cancellation-and-termination/>) For loans that are not covered by HPA, check your investors' guidelines.

Q. How is the refund or premium due determined when I cancel an MI Certificate?

A. The main factors that determine the unearned premium refund or additional premiums due at the time of MI cancellation are the Premium Payment Plan, the "Next Premium Due Date", and the "Cancellation Effective Date".

Q. How long will it take my cancellation request to be processed?

A. Most often, Enact processes cancellation requests instantly via our website at miservicing.enact.com. Requests that require review by an Enact representative will be processed within 23 days. If a customer is integrated via ACH/Wire transmission, applicable premiums will be disbursed on the Wednesday following the cancellation request being processed.

Q. Which loans are subject to guidelines set by HPA?

A. MI cancellations/terminations under HPA apply to all single-family, primary residential mortgages originated using borrower paid MI.

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Enact mortgage insurers include Enact Mortgage Insurance Corporation and Enact Mortgage Insurance Corporation of North Carolina.

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