

Welcome to Peak Portfolio

Updated: October 2024

Frequently Asked Questions

1. What are the benefits of Peak Portfolio?

- a. Expanded MI underwriting guidelines
 - i. Ability to expand high LTV lending
 - ii. Ability to originate higher loan amounts (up to \$2.5 million)
 - iii. Ability to address individual borrower needs
- b. Reduced credit risk exposure
- c. Potential capital relief for banks (Term-to-89)

2. What entity insures Peak Portfolio loans?

Peak loans are insured by Enact Mortgage Insurance Corporation of North Carolina (EMIC-NC), a separate legal entity from Enact's Flagship/GSE-approved entity, Enact Mortgage Insurance Corporation (EMIC). EMIC-NC is managed by the same Enact leadership team and is capitalized to a similar risk-to-capital ratio as EMIC. EMIC-NC has an investment grade financial strength rating of A- by AM Best.

3. What MI Coverage % is right for my Peak Portfolio loan?

Enact does not specify the level of MI coverage on Peak loans. For mortgages to be sold into the secondary market, the investor typically specifies the level of MI coverage required. For portfolio loans, the lender determines the appropriate coverage level. Below are a few coverage options:

- a. Standard Coverage: We offer standard GSE coverage levels to protect you against a loss due to borrower default.
- b. Charter Coverage: Many affordable housing programs or other portfolio programs require a lower amount of MI coverage to protect from loss due to borrower default or for credit enhancement.
- c. Thin Coverage: Release capital and satisfy bank regulatory rules with light MI coverage on your portfolio loans. Enact's Term-To-89 product within our Peak Portfolio Program can help you free up capital and expand your high-LTV originations.

4. If a portfolio loan is insured under Enact's Peak Portfolio program, is the loan eligible for sale to the GSEs at a later date?

No. Peak Portfolio is a non-GSE product. It is intended for portfolio loans or loans sold to non-GSE investors only.

5. What happens if my Peak Portfolio loan is sold to the GSEs?

The loan will not have GSE-approved mortgage insurance coverage. Enact will need to void the Peak Portfolio coverage on the loan, refund premium, and review the loan for eligibility under our Flagship/GSE-approved master policy.

6. If a Peak Portfolio loan is moved to Enact's GSE-approved master policy, will the rate remain the same as it was under Peak Portfolio?

Current rates for our GSE-approved entity will be applied to the loan, which may or may not be the same.

7. Who should I notify at Enact if a Peak Portfolio loan has been accidentally sold to the GSEs?

You should contact your Enact Sales Representative.

8. What if I submit a Peak MI application, but prior to close I want to change to the Flagship entity?

- a. If your company is set up with automatic loan routing rules, contact the ActionCenter®
- b. If your company is set up to deliver by loan-level:
 - i. Delegated — resubmit with updated data or contact the ActionCenter
 - ii. Non-Delegated — update submission to include note in “Notes for UW” to change entities if your LOS allows, or contact the ActionCenter

9. How does rescission relief work for Peak loans?

Rescission relief for Peak loans is the same as for Flagship/GSE-approved entity loans. Please see the grid below. If our QC review identifies no Significant Defects, the loan will receive rescission relief immediately. Additional rescission relief for borrower misrepresentation will be applicable if the first 12 payments on the loan are made on time.

	Standard Coverage		Your Choice Coverage		
	Delegated	Non-Delegated	Non-Delegated Closing Doc Exception (CDE)	Non-Delegated (Full YCC or QA Review)	Delegated (Full YCC or QA Review)
Required Post-Closing Docs	N/A	N/A	N/A	Closing Docs	Origination Package & Closing Docs
Eligibility and Guidelines	36 Payments	Day One*	Day One*	Day One*	Day One*
Underwrite of Appraisal Documentation	36 Payments	Day One*	Day One*	Day One*	Day One*
Closing Defects / Borrower Misrep	36 Payments	36 Payments	1 12 Payments / 36 Payments	2 Day One* / 12 Payments	Day One* / 12 Payments
First Party Misrep and/or Pattern Activity	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Subject To / Process Considerations	<ul style="list-style-type: none"> • 36th loan payment not being 30 days delinquent; • All loan payments being made from the borrower's own funds; • No more than 2 loan payments being 30 days delinquent; • No loan payment being 60 or more days delinquent; and • Loan was not subject to a workout 		<ul style="list-style-type: none"> • Available to participating lenders • Borrower makes 1st 12 consecutive monthly payments with no 30+ day lates 	<ul style="list-style-type: none"> • Lender submitting required documents within 30 days of our request • If we cannot determine borrower occupancy, may require 12 payments • Value variance only and component relief reviews may also be available 	

*Day One refers to Certificate Effective Date for Non-Delegated Reviews and the day Enact's review is completed for Full YCC or QA Review

- 1 CDE provides Participating Lenders with rescission relief for closing defects subject to 12 timely payments.
- 2 YCC provides for “day one” rescission relief subject to a lender sending in required documents post-close for Enact to perform an independent validation of the loan/closing. No longer requires 12 timely payments.

All Loans Current At or After 60 Months Of Seasoning, Regardless Of Payment History, Will Have Rescission Relief

Applicable for loans issued under Master Policy forms MP1980 and MP1920 and underwritten by Enact Mortgage Insurance underwriters, which include Enact Mortgage Insurance Corporation and Enact Mortgage Insurance Corporation of North Carolina

10. Are there any differences between the Flagship and Peak Portfolio master policies?

Yes, but not to the key provisions of the policies themselves. The legal entities are different (EMIC for Flagship; EMIC-NC for Peak), the policy numbers are different (MP1980 for Flagship; MP1920 for Peak), the effective dates are different, and the Flagship master policy includes references to the GSEs that are not included in the Peak master policy since Peak loans are not eligible for sale to the GSEs.

11. Do I submit my claims differently under Peak Portfolio?

No. You submit the same documents and can utilize the same channels as Flagship to submit your claims. For details, refer to the [Enact Claim and Foreclosure Bidding Servicing Guide](#).

12. Do I report my claims differently for MILAR or Delinquency Reporting under Peak Portfolio?

No.

13. How do I activate a Peak Portfolio Commitment?

Follow the directions on the Commitment / Certificate Form. For Zero Monthly product, you can activate via our MI Servicing web site and/or Enact MI website. If you currently use Loan Boarding via EDI 266, the process remains the same.

For all other products, please follow the directions on the Commitment/Certificate Form and submit initial premium to activate. There is no difference in activating loans from different master policies.

Reference the [Enact Lender Servicing Guide](#) for more information.

14. How do I Transfer / Loan Sale a certificate or commitment?

The Transfers / Loan Sale process is the same as Flagship by using the Enact Servicing web site, SFTP, EDI 266, fax, email, etc. Enact will only transfer loans to an approved servicer / lender. Reference the Enact Lender Servicing Guide for more information.

15. How do I cancel a Peak Portfolio certificate?

The cancellation process is the same as Flagship. Reference the Enact Lender Servicing Guide. Homeowners Protection Act of 1998 guidelines apply to Peak Portfolio loans.

16. How do I reinstate a Peak Portfolio certificate?

Follow the reinstatement policy specified in Enact's Lender Servicing Guide. Enact will consider the reinstatement of a certificate if requirements are met.

17. How will Peak Portfolio certificates be billed?

Enact will include Peak Portfolio certificates on your current bill. Your billing cycle and billing method will remain the same. Reference the Enact Lender Servicing Guide.

18. How do I submit premium remittance / payment to Enact for Peak Portfolio loans?

Peak Portfolio should be included with your current payment file via check / ACH / Wire. Reference Enact's Lender Servicing Guide.

19. Do I have to sign a new Contract Services contract for Peak Portfolio loans?

Not necessarily. Our newest contract has Peak (EMIC-NC) included so that Enact is covered contractually in the event you want a Peak underwrite for CS with MI. Most customers have already executed that newest contract. If you have not executed the newest contract, it would not necessarily prevent us from contract underwriting Peak loans, but we would strive to get the newest Agreement executed so that it would include EMIC-NC.

20. Are limits/terms any different for a CS with MI Peak underwrite?

We will follow internal policies to ensure appropriate reviews occur as needed on a per loan basis.

21. What are the process impacts for a CS with MI Peak underwrite?

We will document processes for CS Flow and CS Onsite, and we will communicate any customer-specific nuances.

22. How will I know if a loan is a Peak Portfolio loan?

You will notice on your Peak Portfolio Commitment/Certificate Form, we reference "Enact Mortgage Insurance Corporation of North Carolina" as well as an informational note stating "This Commitment/Certificate is issued under Enact Mortgage Insurance Corporation of North Carolina (EMIC-NC), and is eligible for consideration under that legal entity. Commitment/Certificates

issued under EMIC-NC are not currently eligible for delivery to FNMA or FHLMC.” Also, the Commitment/Certificate will show “MP1920” at the bottom left (as opposed to “MP1980” for Flagship).

Contact your Enact representative or the ActionCenter® at 800-444-5664 with questions or for additional information.