Updated Guidance for Servicers
in Response to COVID-19

We continue to monitor events related to COVID-19 and the impact on the industry. Servicers are aware of the recent guidance we provided in [Servicing News #02-2020](), aligning with GSE workout program delegation for both GSE and non-GSE loans.

We have heard from many Servicers requesting delegation to defer up to 6 payments for their current, non-GSE loans. To aid all Servicers in their efforts to help non-GSE borrowers facing a COVID-19 hardship, we are providing **Deferred Payment Delegation**.

This bulletin also includes **Updated Reporting Requirements** related to COVID-19.

Deferred Payment Delegation for non-GSE loans – NEW

Eligibility:
- Non-GSE loan
- Borrower is/was current prior to the COVID-19 hardship
- At the time of Deferment, borrower may be current or up to 6 months in default
- Verbal attestation of financial hardship due to COVID-19

Terms:
- Defer up to 6 months of P&I payments as a non-interest-bearing balance
- May be recouped in a lump sum (balloon) or by extending the term up to 6 months
- Deferred P&I must remain as part of the original mortgage, and not subordinated to a 2nd lien
- In the event of a valid claim, the deferred P&I portion will be covered with no additional interest

Servicers are reminded that MI premiums must continue to be paid in order for coverage to remain in effect. Additionally, all other terms of the applicable Master Policy and Servicing Guide apply.

Documentation:
Servicers should retain the following as it may be required at the time of claim:
- Servicer records documenting the borrower's COVID-19 hardship
- Confirmation that the borrower was informed of the revised mortgage terms

Reporting:
Servicers should report delegated payment deferrals as described in the **Updated Reporting Requirements** section of this bulletin.

Updated Reporting Requirements

Default Reporting

In alignment with the industry, we have updated our Default and MILAR Reporting templates to enable lenders to identify mortgage loans where a borrower has experienced a hardship associated with COVID-19. As part of this effort, mortgage insurance companies have followed the lead of the GSEs with repurposing existing Reason For Default (RFD) code values:

- **ADR Reporting** – RFD Code 12 will be used for National Emergency Declaration (includes COVID-19 hardship). Energy/Environment costs previously reported in this code, should now be combined with Over Obligated (Excessive Use of Credit) and reported using RFD Code 08
- **MILAR-169 Reporting** – RFD Code 12 will be used for National Emergency Declaration (includes COVID -19 hardship). Energy/Environment costs will now be combined with Over Obligated (Excessive Use of Credit) and reported using RFD Code 08

Servicers should use RFD Code 12 for all defaults caused by COVID-19-related hardships instead of the other more specific hardship codes.

Additionally, we are updating our MGIC/Link Servicing portal and default reporting form with the revised default reporting codes.

We will proactively connect with Servicing contacts currently submitting ADR data files to help them through this transition. Servicers should update their reporting as soon as possible.

Servicing Report - MILAR-32 and 169

Two new Workout Program Name (WPN) values have been added for use by Servicers:

- WPN 43 – National Emergency Forbearance Plan
- WPN 44 – Deferred Payment Program (may use for GSE and non-GSE deferment reporting)

We will proactively connect with Servicing contacts currently submitting MILAR data files to help them through this transition. Servicers currently using MILAR should update their reporting tools as soon as possible.

Deferred Payment Reporting

After implementing a delegated deferred payment plan with your borrower, whether under the GSE-deferred payment program or MGIC's Deferred Payment Delegation, you should report these to MGIC. You may use the updated MILAR reporting (above) or MGIC's new Deferred Payment Reporting template on mgic.com.

Questions?

Contact your MGIC Servicing Relationship Manager or our Customer Service team at customer_service@mgic.com or 1-800-424-6442.