EXHIBIT A

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Captive Reinsurance
and
Other Risk Sharing Arrangements

ARIZONA DEPARTMENT OF INSURANCE

January 22, 1998

P.3

INTRODUCTION

However, if not properly controlled, they also present a threat to the overall strength and claims-paying ability of the private mortgage insurance industry.

P.4

P.5

Risk Factors Associated With Captive Reinsurance

Segmentation

Captive reinsurance results in the segregation of premiums pledged to support losses on limited segments of a primary mortgage insurer's overall insured portfolio. Such segregation runs counter to the basis insurance principle that an insurer's liabilities should be supported by all of its assets. If mortgage insurers are permitted to reinsure more than 25% of their business in captive reinsurance structures, locking up those premiums, this degree of segmentation will be financially detrimental to the mortgage finance industry.

Compromised Risk Evaluation

Mortgage insurance is unique, in that the "creator" of the risk is the lender, who, as an affiliate of the captive, also has an interest in the insurance. This makes a true arms-length independent judgment of risk more difficult to obtain.

Recommended Actions--Adopt a regulation or other binding directive, under which mortgage insurers licensed in Arizona would be prohibited from entering into captive reinsurance and other risk- and revenue-sharing arrangements unless the following conditions were satisfied:

- Reinsurance premiums must be:
  - commensurate with the risk transferred, and
  - not materially greater than the cost of comparable coverage with an unrelated reinsurer
- Premiums and risk ceded to the captive must not exceed 25% of premiums (less a reasonable ceding commission) and risk relating to mortgage insurance business written by the primary insurer on loans originated by any affiliate (or group of affiliates) of the captive
- Dividends and other payments by the captive must be restricted to ensure the availability of funds to pay claims

MICA is preparing a draft regulation for the Department's consideration

Property/Casualty
Edition

BESTWEEK
Insurance News and Analysis
January 12, 1998 Release 2

Mortgage Insurers, Regulators Unite To Urge Curbs on New Bank Ventures

The eight companies that comprise the U.S. mortgage insurance industry and two key insurance commissioners agree that bank-owned reinsurance subsidiaries shouldn't be allowed to accept more than a 25% share of risk and premium income on private mortgage insurance policies.

The stance of the mortgage insurers and regulators is the most aggressive challenge yet to what they see as an especially risky example of banks' entry into the insurance business—made with the backing of Comptroller of the Currency Eugene Ludwig.

The Mortgage Insurance Association of America, the trade group of primary insurers, has called on all state insurance regulators to "act swiftly" to impose the 25% ceiling. The limitation would apply to quota-share and excess-of-loss arrangements between bank captive reinsurers and any primary mortgage insurer that is a partner.

MICA's position, outlined in a Dec. 4 letter to state regulators, is in line with the position of Vermont Insurance Commissioner Elizabeth Costle, whose state is the domicile for most national bank captive reinsurance subsidiaries.

Costle has said that based on solvency and capital-adequacy concerns, she wouldn't approve a captive reinsurance arrangement involving mortgage insurance in which a bank assumes more than 25% of the risk.

She took that position when Banc One Insurance Group, a subsidiary of Columbus, Ohio-based Bank One, approached the Vermont department last year about a license for its new captive mortgage reinsurer. (*BestWeek*, Oct. 27, 1997)

North Carolina Commissioner Jim Long, whose state is the domicile for three of the primary mortgage insurers, agrees

(continued on page 3)

Mortgage (cont'd)

by former Wisconsin Commissioner Josephine Musser, who at the time was president of the National Association of Insurance Commissioners. Long strongly urged all of his fellow commissioners to adopt the 25% limitation in their states.

"Treaties that exceed more than 25 percent begin to look less like reinsurance and more like primary mortgage guaranty insurance underwriting," said the letter.

Since national banks don't comply with the same safety and soundness requirements as primary mortgage insurers, the letter added, "this is a dangerous precedent to set."

Costle said in an interview last week that the issue and the letters were discussed as part of the agenda of a closed commissioners' session at the December NAIC meeting in Seattle.

"We would welcome Bank One, as we would anyone else who wants to form a captive reinsurer," she said of Vermont. "But we have established our standards."

The result of all the activity and letter-writing over the past two months has been to complicate Bank One's effort to get a captive license.

Bank One received approval last year from the Office of the Comptroller of the Currency to form a captive that could assume 50%, perhaps as much as 75%, of the risk in a quota-share deal with a primary mortgage insurer.

Six national banks have received the green light from the OCC to form mortgage reinsurance captives. But Bank One has been the most aggressive in pursuing a quota-share arrangement.

The Bank One plan drew criticism not only from MICA and others in the insurance industry, but more importantly from a key congressman, Rep. John Dingell, D-Mich., the ranking member of the House Banking Committee.

Glen Milesko, president of Banc One Insurance Group, said in an interview last week that his company has been talking to several states since Vermont turned him down. He expressed confidence that Bank One will get a captive license "very soon."

But Milesko is clearly angry about what he termed MICA's "lobbying" to keep Bank One from capturing a competitive share of the mortgage insurance market. "Every state we talk to, MICA comes in and tries to put pressure on the department not to give us a license," he said

More pointedly, he said he viewed the Long-Musser letter of two months ago as evidence of "collusion" with MICA to frustrate Bank One's efforts.

"I don't know how he (Long) can comment on what we are planning to do when he has never even talked to us about it," said Milesko.

For instance, he said, Bank One is ready to capitalize its reinsurance captive to the tune of $8 million, far beyond the minimum required of incorporated primary mortgage insurers.

"That letter wasn't a responsible thing for a regulator to do," Milesko said. He said that he and others from Banc One Insurance Group are planning to meet with Long in North Carolina.

Long was away on business last week and couldn't be reached for comment.

The situation is all the more complicated because, according to various sources, some of the eight primary mortgage insurers would like to do business with Bank One. Although they signed the joint letter issued by MICA, which is their trade group, these smaller primary mortgage insurers see partnerships with national banks as a way to gain market share, even if it means ceding significant premium income and risk to a bank.

The Long-Musser letter addressed this issue directly. "In their eagerness to gain market share and short-term revenue increases," they wrote, some mortgage insurers "may be willing to give up half or more of their premium income to earn new business. We need to be vigilant to ensure that such partnerships do not result in instability in the mortgage guaranty insurance industry and in the mortgage financing system generally."

The eight companies that signed the Dec. 4 MICA letter were Amerin Guaranty Corp., Commonwealth Mortgage Assurance Co., GE Capital Mortgage Insurance Corp., Mortgage Guaranty Insurance Corp., PMI Mortgage

Insurance Co., Republic Mortgage Insurance Co., Triad Guaranty Insurance Corp. and United Guaranty Corp.

"The big companies in MICA are trying to use their clout to protect their turf," said Milesko. He did not mention names, but GE Capital and MGIC are thought to be the leading opponents of Bank One's quota-share plan.

"I can tell you that if we don't end up being able to do what we want to do," Milesko said, "we have gathered plenty of evidence to make the case that they (MICA) have wrongfully interfered with our business."

Ellen Schweppe, MICA's director of communications, said the trade group wants "a level playing field" in the marketplace. "That is what we have been trying to express to the insurance commissioners."

She said the Dec. 4 letter "represents the industry position as a whole. I can't speak for what the individual companies might do."

The eight companies wrote in their joint letter that they are "not opposed to bank entry into captive mortgage reinsurance per se." They added that "under the right conditions," captive arrangements "can have the same economic benefits as other reinsurance products."

The "prerequisites" that would need to exist to set the right conditions, MICA said, include the 25% limit, proper capitalization of the reinsurance subsidiary, adequate reserves to ensure payment of claims, and "appropriate dividending restrictions" that would preserve the safety and soundness of the mortgage guaranty industry.

In their Nov. 24 letter, Long and Musser went into greater detail about their concerns.

They listed five areas in which allowing more than a 25% share to a mortgage reinsurer owned by a bank lender would be "imprudent." They included:

• Capitalization. Captives can be incorporated with much less capital than primary insurers, and thus the captive may not be able to meet its reinsurance obligations "in a period of stress," the letter said. This, in turn, puts more pressure on the primary insurer to hold additional capital.

• Underwriting. "Lenders under pressure to increase origination volume, could be tempted to bring extra pressure to bear on mortgage guaranty insurance companies to approve loans for insurance," the letter argued.

• Diversification. Segmentation of the market by lenders "would segregate premiums shared with good lenders from being used to offset excess losses," said the letter. If 10 or more of the 25-largest lenders set up 50% quota-share deals with the four-largest mortgage guaranty insurers, the letter added, the current "stability of the primary insurance industry could be undermined seriously."

• Geographic Dispersion. Captives of lenders do business on a regional basis. This diminishes the benefits of geographic dispersion and thus undermines the "actuarial soundness" of the industry.

• Dividends. "Funds available from a poorly performing captive to pay benefits may be less than the premiums previously ceded plus investment income if the structure permits too liberal dividending policies or investment practices," the letter said.

"Whether you are a domicile for a mortgage guaranty insurance company or about to be approached as prospective domicile for a captive company, we are writing to ask you to follow Vermont's lead," Long and Musser said to their fellow regulators.

—*Robert H. Gettlin*

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EXHIBIT B

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

- - -

EFRAIN MUNOZ, LEONA LOVETTE and STEPHANIE MELANI, individually and on behalf of all others similarly situated, :
Plaintiffs, :
:
vs. : Case No.
: 1:08-CV-00759-AWI-DLB
:
PHH CORP., PHH MORTGAGE CORP., PHH HOME LOANS, LLC, and ATRIUM INSURANCE CORP., :
Defendants. :

- - -

Thursday, October 22, 2009

- - -

CONFIDENTIAL

- - -

ORAL DEPOSITION
PURSUANT TO FED. R. CIV. P. 30(b)(6)
OF
MARK R. DANAHY

- - -

- - -

Confidential Oral Deposition Pursuant to Fed. R. Civ. P. 30(b)(6) of MARK R. DANAHY taken at Braverman Kaskey, One Liberty Place, 56th Floor, 1650 Market Street, Philadelphia, Pennsylvania, commencing at 9:58 a.m., before Susan Marie Migatz, a Federally Approved Registered Merit Reporter, Certified Realtime Reporter, and Notary Public in and for the Commonwealth of Pennsylvania and the State of Delaware.

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PHH Mortgage

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MARK R. DANAHY - CONFIDENTIAL TESTIMONY
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MARK R. DANAHY, 227 East Main Street, Moorestown, NJ 08057, after having been first duly sworn, was examined and testified as follows:
\- - -
EXAMINATION
\- - -
BY MS. MOFFA:
Q. Good morning, Mr. Danahy.
A. Good morning.
Q. We introduced ourselves before. I'm Donna Siegel Moffa. I'm here with Terry Ziegler. We are representing the plaintiffs in this lawsuit, Munoz versus PHH Corp., PHH Mortgage Corp., PHH Home Loans, and Atrium.
Have you been deposed before, sir?
A. No.
Q. I will give you a couple ground rules, but first I would like to have you state your name again for the record.
A. It's Mark R. Danahy.
Q. And what is your business address?
A. 1 Mortgage Way.

MARK R. DANAHY - CONFIDENTIAL TESTIMONY
Q. In Moorestown?
A. Mt. Laurel, New Jersey 08054.
Q. Okay. Your counsel has probably told you this, but I'll just review a little bit of it with you again.
This is a question-and-answer period that's done under oath in the process of this litigation just to collect information, and the information that you give and the questions I ask will be taken down by the court reporter.
Because she is taking down everything we say, it's important that we don't talk over each other, so let me finish my question and then you can answer, even if you know where I'm going.
If I talk too fast, which I generally speak pretty quickly, especially in the beginning of a deposition, let me know, I'll slow down.
MS. MOFFA: That goes for the court reporter as well.
THE COURT REPORTER: Thank you.

MARK R. DANAHY - CONFIDENTIAL TESTIMONY
BY MS. MOFFA:
Q. If you need a break, that's fine.
If your counsel objects to a question, let us work that out and do as directed.
A. Okay.
Q. Are you taking anything or is there any reason today that you are unable to answer truthfully and completely the questions that are being asked?
A. No, no reason.
Q. Okay. A couple other things. Don't guess. And if you don't understand a question that I ask, please ask me to clarify it so that the record is clear that we're talking about the same thing so that the answer you give then I can rely on. Okay?
A. Okay.
MS. MOFFA: I'm going to mark a document as 30(b)(6) 1.
\- - -
(Whereupon the document was marked, for identification purposes, as 30(b)(6) Exhibit 1.)

MARK R. DANAHY - CONFIDENTIAL TESTIMONY

\- - -

BY MS. MOFFA:

Q. You've just been handed a document that's been marked as 30(b)(6) 1. Do you recognize the document?

A. Yes.

Q. Okay. What is the document?

A. I might characterize this wrong, but I think it's the Complaint.

Q. You think it's what?

A. Oh, it's the Deposition Notice.

Q. When have you seen this document before?

A. On probably two occasions, yesterday most recently.

MS. MOFFA: And this is, for the record, the Re-Notice of Deposition Pursuant to Federal Rule 30(b)(6).

BY MS. MOFFA:

Q. Is it your understanding, sir, that you are here today as a designee to address the topics addressed in 30(b)(6) 1?

A. Yes.

Q. Okay. What did you do to prepare to

MARK R. DANAHY - CONFIDENTIAL TESTIMONY

testify on the topics in 30(b)(6) 1?

A. Well, I met with counsel and he gave me an overview of how this process would go, advised me to be truthful; and then I've looked at various reports in preparation, just to refamiliarize myself.

Q. Okay. Did you pick the reports that you looked at?

A. Typically they're going to be the reports that were submitted to you guys under the deposition.

Q. Okay. I'm going to back up just a moment.

Are you here today on behalf of all of the defendants in the lawsuit?

A. Yes.

Q. When I speak today and I talk about "PHH," unless I specify that I'm referring to one of the particular PHH entities, I'm referring to them collectively. Is that okay? Do we understand each other?

A. Yes. If I'm not clear, I'll try and clarify.

Q. And I'll refer to Atrium Insurance

MARK R. DANAHY - CONFIDENTIAL TESTIMONY

Corporation as Atrium. Is that all right with you?

A. That's fine.

Q. You said that you looked at reports. Which reports did you look at?

A. It would be some of the Atrium reports, cession statements.

Q. Go ahead.

A. Some of the Milliman data, our actuarial reports; briefly looked at financial statements.

Q. And just so the record is clear, what do you mean by the term "cession statements"?

A. That's the report that the MI companies provide us on the status of the loans underlying the reinsurance agreement, essentially their reinsurance reporting mechanism.

Q. Okay. We will get into that later.

Are those regular quarterly reports that are provided to Atrium by the MI companies?

A. Yes, quarterly; I think in some

MARK R. DANAHY - CONFIDENTIAL TESTIMONY

cases monthly.

Q. Did you speak to anybody in particular in preparing for the deposition besides your counsel?

A. My staff.

Q. Who on your staff did you speak to?

A. Mike Bogansky in particular.

Q. What's his position?

A. He is vice president of financial reporting for PHH Mortgage and he is responsible for the Atrium accounting as part of that responsibility.

Q. Did you speak to anybody else?

A. No.

Q. Are you aware that at some point your counsel provided us documentation in response to the Deposition Notice that you looked at?

A. Yes.

Q. Were you involved in the preparation of that material?

A. I was aware of the preparation of the material, but I wasn't actually, you know, getting reports and handing them over. That

typically would have been Mike. But I'm familiar with the information.
Q. So did you have a chance to review the information that was provided by your counsel in response to the Deposition Notice topics?
A. Yes.
Q. Did you speak with the people who were preparing that information while it was being prepared about its preparation?
A. No.
Q. Can you tell me the names of some of the people who were involved in the preparation of the materials?
A. It would have been largely Mike Bogansky would have been the key person involved in that. Some of the folks that work for him may have been involved, but I'm not familiar with --
Q. Anybody else?
A. -- who --
Q. I'm sorry.
A. That's all right. I'm not familiar with who else besides Mike. He would have

been the lead person gathering the information.
Q. Anybody else?
A. He's got several people working for him, but I'd be guessing as to their involvement.
Q. Okay. Did you speak with Mike Bogansky -- did I say that right?
A. Yes.
Q. -- with regard to the topics in the Deposition Notice today?
A. I did.
Q. And when did you speak with him?
A. Yesterday.
Q. Did he provide information to you at that time?
A. We discussed the materials that were presented and reviewed some of the materials that were presented.
Q. Can you take a look at the topics that are listed in 30(b)(6) 1 at Pages 4 and 5 and just at the top of 6 and let me know if these are topics that you are prepared to testify about today, and you can do that by

letting me know if you see some of them here that you are not prepared to address today.
A. I can address all of them.
Q. Okay. Did you notice that there's more than one page there?
A. You specifically referenced 1 through 6.
Q. I said Pages or I believe I said --
A. Pages; my bad.
Q. -- Pages 4, 5, and 6; sorry.
A. Let me just...
Q. Sure.
A. Yes.
Q. Yes, you can address all of the topics that are listed?
A. All of the topics.
Q. Thank you.
You did mention that you spoke with Mr. Bogansky yesterday and reviewed some of the materials. Do you recall the substance of your conversation with Mr. Bogansky yesterday in preparation for your deposition?
A. Yes; in particular walking through a cession statement to familiarize myself with

the contents.
Q. Do you recall which cession statement?
A. Well, it would have been one of the ones provided to you guys as part of this process. The companies in particular I think were Radian and UGI that I looked at.
Q. Do you review cession statements normally in the course of your responsibilities?
A. Not routinely.
Q. Why don't we do a little bit of background, too, there?
What is your position?
A. For which company?
Q. Okay. Let's start with PHH.
A. With PHH Corporation?
Q. Yes.
A. I am senior vice president. For PHH Mortgage I am the president and CEO. For PHH Home Loans I am the president. For Atrium I am the president. I'm also a director for Atrium.
Q. On the board?

MARK R. DANAHY - CONFIDENTIAL TESTIMONY
A. Yes.
Q. Is that what you mean by "a director"?
A. Yes.
Q. All right. Where are your offices for PHH Corporation?
A. At 1 Mortgage Way, Mt. Laurel, New Jersey.
Q. And you are senior vice president for PHH Corporation?
A. Yes.
Q. How long have you held that position?
A. I believe since 2005.
Q. Prior to that did you hold a position at PHH Corporation?
A. I don't believe so. That was the date of the spinoff of PHH Corporation from Cendant.
Q. Okay. I'll ask you for a little bit of background there. When you talk about the spinoff of PHH Corporation from Cendant, what are you referring to?
A. Cendant was the former owner of PHH

MARK R. DANAHY - CONFIDENTIAL TESTIMONY
Corporation and on January 31, I believe, they spun PHH Corporation off as an independent publicly traded company.
Q. Is there a relationship between Cendant and PHH Corporation at this point?
A. PHH Home Loans is a joint venture between PHH Mortgage and Realogy, which is a former Cendant company.
Q. Does Cendant itself exist anymore in any form?
A. No. The remnants of Cendant is now Avis Budget.
Q. Were you with Cendant prior to being with PHH Corporation?
A. I was with PHH Mortgage, which was a subsidiary of Cendant's prior to the spinoff.
Q. Okay. And you are currently the president and CEO of PHH Mortgage?
A. Correct.
Q. And how long have you had that position?
A. Since December of last year, 2008.
Q. Prior to that did you hold other positions with --

MARK R. DANAHY - CONFIDENTIAL TESTIMONY
A. Chief financial officer.
Q. And how long did you hold that position for?
A. From early 2001 through December of 2008.
Q. Prior to that did you have a position with PHH Mortgage?
A. Yes. I was the controller for PHH Mortgage from December of 2000 through the date of my promotion, which I believe was April.
Q. Prior to that did you have a position with PHH?
A. I was not with PHH prior to that. I was with GE Capital Mortgage Services or GE Capital Market Services.
Q. How long were you with GE Capital?
A. I joined GE Capital in March of '97 and left in December of 2000 to join PHH.
Q. What was your position at GE Capital?
A. I was senior vice president of their Capital Market Services business, focused on their mortgage operations, and I think I

MARK R. DANAHY - CONFIDENTIAL TESTIMONY
actually changed entities within GE. So I was senior vice president of GE Capital Mortgage Services for a period. I'm not exactly sure when the entity change occurred.
Q. Prior to the time you were with GE, where were you?
A. At Norwest Mortgage, and I left there in March of '97. Norwest acquired PruHome, PruHome Mortgage, which was the business I was with, and I started there in January of 1991, I believe, or March of 1991, early '91.
Q. As president and CEO of PHH Mortgage, where are your offices located for that entity?
A. 1 Mortgage Way, Mt. Laurel, New Jersey.
Q. In all of your positions with regard to each of the PHH entities and Atrium, are all of your offices all in the same location?
A. That's my physical location. Atrium has offices in New York City, but I'm not sure of the specific address. It's in the Rockefeller Plaza area.

Q. We will get back to that in a second.
So with regard to PHH Home Loans, you are the president of that entity?
A. Yes.
Q. And how long have you held that position?
A. Since its formation, I think in October of 2005.
Q. So that was another role you took on --
A. Oh, wait a minute. No, no. I'm sorry. Since probably the beginning of this year, December of last year, January of this year. I would have been named president in about the same time as I was named president of PHH Mortgage.
Q. Prior to that did you have a position with PHH Home Loans?
A. Senior vice president and CFO.
Q. And how long did you hold that position?
A. Since its formation.
Q. With regard to Atrium, you are the

president of Atrium?
A. That's right.
Q. Who are the other officers of Atrium?
A. There's a number of other officers: Bill Brown, Mark Johnson, John Erdmann, Ron Lyles. There's several others. Lee Kaplan. I don't have all of them, but those are some of the key folks.
Q. Okay. What is Bill Brown's position with Atrium?
A. I believe he is either secretary or general counsel, or perhaps both.
Q. And where are his offices located?
A. In Mt. Laurel as well.
Q. Same address, 1 Mortgage --
A. 1 Mortgage Way.
Q. And Mark Johnson, what's his position?
A. Treasurer.
Q. Is he also located in --
A. Yes.
Q. -- the same location, 1 Mortgage Way? It's 1 Mortgage Way; right?

A. Yes.
Q. John Bergman, did you say?
A. Erdmann, E-R-D-M-A-N-N, controller.
Q. Okay. Is he also located at 1 Mortgage Way?
A. Yes.
Q. Ron Lyles?
A. CFO.
Q. Is he also located at 1 Mortgage Way?
A. Yes.
Q. And Lee Kaplan?
A. I believe assistant secretary, and he is also located at 1 Mortgage Way, presuming you would ask.
Q. Does Atrium have any employees?
A. It does not.
Q. You mentioned that Atrium has an office in New York City. Is there any person in the office located there?
A. There is no person full time in that office. It is a shared space or a -- I'm trying to think of the right phrasing for that.

It's a relatively small office for a physical location in New York City.
Q. Does Atrium actually rent that space or does it --
A. Yes.
Q. Yes? Okay.
And there's nobody who actually occupies the space; is that correct?
A. Right.
Q. What is the space used for?
A. I think it's a matter of compliance with New York State insurance law that there is a physical office in New York State.
Q. Other than 1 Mortgage Way, is there any location that people who do work for Atrium are located at?
A. It is possible that there are officers of PHH located in Sparks, Maryland, and I'm not exactly sure of the number, but I think it's Ridgeback Road or Ridgebrook Road. I always put it in the GPS wrong. But that is where our fleet business is located and certain members of our corporate staff are located there.

Q. When you refer to your fleet business -- I'm sorry.
A. And when I say "corporate staff," those would be employees of PHH Corporation.
Q. And you said it's possible that there are people there?
A. You know what? When I say "possible," I'm not sure of the officer list of Atrium, but certain members of our corporate staff may be on there.
For example, Mark Johnson is a member of the corporate staff as treasurer of PHH Corporation. He's also treasurer of Atrium. There may be other corporate staff members who I'm less familiar with that are on the officer list.
Q. For Atrium --
A. For Atrium.
A. -- that may be located in the Sparks, Maryland, location?
A. Who work in Sparks, Maryland.
Q. How long have you been president of Atrium?
A. Since early this year. I believe

the board approved the change in and around the first quarter of this year, 2009.
Q. Which change are you referring to?
A. I was promoted from senior VP and CFO to president of Atrium.
Q. What are your responsibilities with regard to Atrium?
A. I really think of it in a business context, making sure that we're making good business decisions and overseeing sort of the overall business of Atrium.
Q. What is the overall business of Atrium?
A. It is at this point a reinsurance vehicle or it's a monoline insurance company whose only business is reinsurance transactions.
Q. You said "at this point." Did Atrium at a different point than now have a different line of business?
A. It has not.
Q. So since it was formed, it's always had the same monoline of reinsurance business?
A. Its only business activity has been

the reinsurance business.
Q. Let me get just a little more of the history.
How long have you been with Atrium?
A. Oh, golly. I believe I started as an officer of Atrium in 2005.
Q. Prior to that did you do any work connected with Atrium's business?
A. Yes.
Q. What were your responsibilities in that regard?
A. Well, all the work of Atrium is done through a management services agreement between Atrium and Mortgage Services, so we would have provided management services in that capacity; and as CFO and controller I would have been responsible for making sure that financial statements were accurately prepared and timely prepared.
Q. You just referred I think to Mortgage Services?
A. PHH Mortgage.
Q. Okay. That's PHH Mortgage?
A. Yes.

Q. So PHH Mortgage provided management services to Atrium?
A. That's right.
Q. And you had responsibilities in connection with that with regard to financial statements?
A. Right.
Q. How long did you have those type of responsibilities?
A. That would have been up through 2005.
Q. Starting when?
A. And actually probably up through 2005, and then from 2005 as CFO of PHH Mortgage I would have had those ongoing responsibilities.
Q. You said "up through 2005." Starting about when?
A. Oh, with my starting with PHH Mortgage as controller in December of 2000.
Q. You mentioned Mark Johnson was employed by PHH. Is Bill Brown employed by PHH as well?
A. Yes.

EXHIBIT C

In the Matter of:

Captive Reinsurance

August 13, 2013
Samuel Rosenthal

Condensed Transcript with Word Index

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

CONSUMER FINANCIAL PROTECTION BUREAU

In Re:)

CAPTIVE REINSURANCE)

- - - - - - - - - - - - - - -)

Tuesday, August 13, 2013
Weiner Brodsky Kider, P.C.
1300 19th Street, N.W.
Washington, D.C. 20036

C O N F I D E N T I A L

The above-entitled matter came on for investigational hearing, pursuant to notice, at 9:01 a.m.

APPEARANCES:

ON BEHALF OF THE CFPB:

DONALD R. GORDON, ESQ.
KIMBERLY J. RAVENER, ESQ.
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PHH Mortgage In-House Counsel

C O N F I D E N T I A L
P R O C E E D I N G S
- - - - -
Whereupon--
SAMUEL L. ROSENTHAL,
a witness, called for examination, having been first duly sworn, was examined and testified as follows:
EXAMINATION
BY MR. GORDON:
Q. Good morning, Mr. Rosenthal. I'm Don Gordon, I'm an enforcement attorney with the Consumer Financial Proctection Bureau. It is just after 9 a.m.
We are at the offices of Weiner Brodsky on 19th Street in Washington, D.C. It is August 13th. This is an investigational hearing being conducted by the CFPB pursuant to 12 USC Section 5562 and the Bureau's final investigational rules which are at 12 CFR part 1080.
Objections that may be properly raised are limited as set forth in those rules. Also as set forth in those rules, this hearing may not be recorded by any means except by the official court reporter.
Mr. Rosenthal, would you please state your first and last name?
A. Samuel Rosenthal.

Q. And, Mr. Rosenthal, are you represented by counsel today?
A. I am not, personally.
MR. GORDON: You may --
THE WITNESS: Yes, you are -- yes, I am. Yes, I am.
MR. GORDON: I'll invite counsel to make appearances for the record.
MR. SOUDERS: Dave Souders for Weiner Brodsky representing Mr. Rosenthal.
MS. RUST: Rosanne Rust from Weiner Brodsky Kider, PC, as well, representing Sam Rosenthal.
MR. WRONKA: Walter Wronka, I'm in-house counsel with PHH Mortgage Corp.
MR. GORDON: Just to clarify, Mr. Wronka, are you here representing Mr. Rosenthal personally?
MR. WRONKA: No.
MR. GORDON: Also present from the Bureau today -- actually, I'm sorry, please go ahead.
MS. RAVENER: Kim Ravener representing CFPB.
MR. GORDON: And also present for the Bureau are Fatima Mahmud, paralegal, and Troy Schuler, law clerk.
BY MR. GORDON:
Q. Mr. Rosenthal, who is your current employer?

A. PHH Mortgage.
Q. And where is your employer located?
A. Mount Laurel, New Jersey.
Q. And what's your current position at PHH Mortgage?
A. Vice president.
Q. Is there a, is it vice president for a particular category?
A. Capital markets, balance sheet risk management.
Q. I just want to as a preliminary matter explain to you some things about how today's hearing will proceed.
For the purposes of this hearing, Ms. Ravener and I are officers of the United States.
Do you understand that we're here in an official capacity on behalf of the United States Government?
A. Yes.
Q. And, Mr. Rosenthal, you're appearing today pursuant to a Bureau Civil Investigative Demand; is that right?
A. Yes.
Q. Okay. And I'm going to hand you what has been pre-marked as Exhibit 203. This is a multi-page

document which is headed at the top of the first page CFPB and Civil Investigative Demand.
Mr. Rosenthal, if you'd take a moment and just review that document and you can give me a nod when you've had a chance to look it through, look it over.
A. (Witness examining document)
Q. Mr. Rosenthal, I don't mean to interrupt, you should take your time; but I just want to let you know, the only thing I'm going to ask about in particular is the document as a whole and the last two pages. But feel free to review whatever you need to.
A. No, thank you. I'll glance through it quickly.
(Witness examining document)
Q. Okay. Is this document the Civil Investigative Demand pursuant to which you are appearing today?
A. Yes.
Q. Okay. If you would turn to the last two pages, that's the portion headed on page Exhibit 203-0017, notice to persons supplying information; do you see that?
A. Yes.
Q. There are two sections with headers on that

page; one labeled A, false statements, semi colon, perjury, and two, labeled B, the Fifth Amendment, your right to counsel.
I just wanted to make sure that you've had a chance to review those sections. Have you?
A. Yes.
Q. Great. You can put that aside.
Do you know of any reason you might not be able to give truthful, complete and accurate testimony today?
A. No.
Q. And I just wanted to ask you a little bit or talk a little bit about kind of the ground rules under which we'll proceed today.
So first of all, I want to ask you, have you ever given testimony before in a deposition or in trial?
A. No.
Q. So here's in broad terms how we'll proceed. I'll be asking you a series of questions.
You understand that you're under oath and you are sworn to tell the truth just as if you were in a Court of law?
A. Yes.
Q. And I'll ask for a couple of understandings

from you.
First, that as you have noticed, we have a court reporter writing down everything we say, so please make all of your responses verbally.
Can you do that?
A. Yes.
Q. I will do my very best not to start my question before you've finished your answer and I would ask you the same courtesy, to wait until I finish the question before you begin your answer.
Can you do that?
A. Yes.
Q. If you don't understand a question, please let me know and I'll try to ask a better question.
If you answer my question, I will assume you understood.
Is that fair?
A. Yes.
Q. We'll take breaks periodically throughout the day. If you would like to take a break, please let me know and I'll try to accommodate you as soon as I can. I would only ask one thing from you and that is, if there's a question pending, that you answer the question before we take a break.
Do you understand?

eight times as large as the wholesale. We were never very large in wholesale. There was a period of time when correspondent grew to approximately 40 percent of our business, which would have been in the 2009, '10, '11 time frame, in that time.
Q. But before and after that it was substantially less?
A. Correct.
Q. So you were telling me about how retail mortgages get assigned to MI.
How do correspondent mortgages get assigned to MI?
A. It is my understanding that the correspondent can choose the MI provider or the, or the correspondent can ask PHH to select the MI provider. So loans go down two paths.
Q. And when you say it's your understanding, what's the basis of your understanding?
A. There's a symbol in our system which is called correspondent to choose MI and based upon that symbol, I've been told the correspondent choose that MI or the, or the correspondent asked PHH to choose that MI.
Q. Was there ever any financial consequence to the correspondent choosing one or another MI for a

PHH Mortgage?
A. There have been price hits on our rate sheet if the correspondent chooses an MI who didn't have a systematic relationship with PHH where all the systems and protocols were set up. So it would become a more manual process.
Q. And that, those providers that were set up that way, are those the ones who were called preferred providers?
A. I'm not real familiar with the term preferred provider, but from a conceptual standpoint, yes.
Q. So with respect to the dialer and the retail mortgages, in your experience what are the factors PHH has used to decide how the dialer is set or how business is allocated to a particular MI or MIs?
A. The decisions on the dialer have been made based upon the counter-party strength of the MI. They've been made upon the payment history, the default payment, do they pay the claims when we need them to pay the claims. They've been based upon do we have, you know, transmissions all set up on the, you know, between the two computer systems. Those have been the driving -- oh, also, yeah, just, just those things and you want to make sure that it's balanced

between, you know, balance between the two so you have a breadth of product offering.
Q. Balance between?
A. Balance between the multiple MIs, whatever MIs are in the system. So the product offering of the different MIs is varied through time, so they don't all just close loans like the product offering of MI one doesn't necessarily equal the product offering of MI number two.
Q. Are there any other factors you can think of?
A. No.
Q. Have those factors changed over time?
A. Yes. The product offering in the old days, pre 2006, 7, wasn't quite as important because the product offerings between the MIs were very, very similar prior to that time.
When the market began to experience difficulties, that's when the product offerings started to diverge. So that has gained further importance more recently.
The counter-party strength, we've always looked at it, but it's become much more important in the recent years as some of the MIs have begun to struggle.

One other thing, I'm sorry. Sometimes the MIs, they had big marketing forces in the field and they would, they are out there selling to other correspondents and they are driving correspondents to sell loans to us, so to the extent they drove volume in to us, we, you know, they were helping us and we would choose to send more business to them.
Q. So that, does that just apply to the correspondent channel or generally in your business?
A. Mostly the correspondent channel because they really didn't drive a retail borrower to us.
Q. But in terms -- I'm sorry, were you finished?
A. Yes.
Q. In terms of your priorities for allocating business to them, that was retail business as a result of these correspondent?
A. Oh, now I understand. Yes. It would have been retail or correspondent business. We, we didn't distinguish so much between the two.
Q. During your time at PHH or during the time that you've been working on MI matters, to which MIs, if any, has PHH sent the most business?
A. At the beginning it was UGI. In 2000 or 2001 we began doing business with Genworth and then it

was kind of a, you know, back and forth between the two as to who was getting more business in the mixture.
And then in mid-2006 or 7 we opened up the dialer to more entities.
Q. I was going to ask you a little bit more about that a little bit later, but wanted to clarify, I think you had said UGI and that's United Guaranty?
A. Yes.
Q. Okay. And Genworth I understand used to be called Gemico, G-E-M-I-C-O; is that the same entity?
A. I, I am not certain of how the names changed through time, but it's the same entity through time, I believe. It just was spun off.
Q. Okay. So based on what you just told me about UGI at the beginning and then Genworth starting around 2000 or 2001, I take it that not all of the MIs were always on the dialer; is that correct?
A. That is correct.
Q. Do you know why that is?
A. It's expensive to put somebody on to the dialer. It cost resources and IT and the business to program it properly to make sure that eligible loans are chosen and go in. So every time we wanted to add somebody it was a big project.

Q. And I just wanted to make sure I understand, the dialer is, it's an algorithm or some sort of automated process?
A. Yes, so there's a -- yes, basically you put in this percentage of eligible loans should go to company A, a different percentage of eligible loans should go to company B, C, et cetera, and then on an automated fashion these loans hit the system, I'm not sure of how they're randomly selected, but they would be distributed from the point of rate lock into the various, the loans that were getting MI into the various buckets.
Q. Would it be possible to send a significant amount of business to an MI that was not on the dialer?
A. Not, not possible because it would be incredibly manual and there was no methodology for jumping into the loans to move them one by one.
Q. So it would be labor intensive?
A. Very labor intensive.
Q. And so costly?
A. Very costly.
Q. And so if, again, so that I understand what you were saying before, before about 2006, 2007, as far as you know, PHH didn't send any MI business to

anyone other than UGI and Genworth?
A. I believe that would be the case.
Q. I wanted to ask you some questions now about the captive reinsurance business and Atrium, the two Atrium entities that we discussed.
A. Okay.
Q. You've had some involvement with captive reinsurance at PHH; is that correct?
A. Yes.
Q. Over what time period?
A. 2000 to 2002 and then again from 2006 to current date.
Q. And so during that earlier period, I'm just trying to put this together with what you said before, who were you reporting to between 2000 and 2002?
A. Joe Suter.
Q. And it would be Mr. Bradfield for all of the more recent periods since '06?
A. Yes.
Q. Describe Atrium's business for me.
A. Atrium provides reinsurance to the mortgage insurance companies and in exchange they receive a portion of the premiums that the mortgage insurance companies collect.
Q. Atrium does?

A. Yes. So Atrium provides capital and accepts risk in exchange for a portion of the premiums.
Q. Is that the totality of Atrium's business?
A. Atrium also invests the money that it has as capital in a variety of short-term instruments which are allowable or permissible under Atrium's contractual obligations with the MIs.
Q. Do you have an understanding of what PHH's purpose was in creating I guess it was Atrium Insurance Company, initially?
A. It was created prior to my coming to the company -- joining the company. I'm assuming that what the purpose was PHH, because we originated quality mortgages, good performing, well-performing mortgages and we had good systems in place to manufacture these mortgages, we could place these mortgages into -- place these mortgages with an MI company and then share in the risks and rewards of the performance of these loans over time.
Q. And the current Atrium entity is Atrium Reinsurance Company; is that right?
A. That's my understanding.
Q. Is it, does it have a physical address somewhere, Atrium Re?
A. I am not certain.

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Q. Do you know if there's an office maintained for Atrium Re?
A. I am not certain.
Q. Do you know if Atrium Re has any employees?
A. I am not certain. I am not an employee.
Q. Do you know anyone who is?
A. I'm not certain.
Q. Okay. And I understand that there came a time when around the time that the name of the company changed its domicile also changed; is that right?
A. That's my understanding.
Q. And that was from New York State to Vermont; is that right?
A. That's my understanding, correct.
Q. Do you have an understanding of why that change was made?
A. Yes. The change was made because Vermont has a lot more of these captive reinsurance mechanisms or vehicles for the mortgage industry, so they have more expertise at the regulator level than New York did, so that was one reason to make the change.
Another reason to make the change was at PHH we had to do a lot of the work for Atrium through, prior to the change and there is an outsource service provider, I'll try to remember the name.

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Q. Is it by any chance Chartis, C-H-A-R-T-I-S?
A. Chartis, I think that's right, and they provided us, they were able to provide us a lot of the outsource work we needed to maintain all of the books and records that were necessary as opposed to having that expertise and talent in-house at PHH.
And thirdly, the capital required to be maintained in Atrium in New York was higher than the capital required to be maintained in Vermont.
Q. Do you know what the difference was?
A. I'm not certain, but it, it, I believe it enabled Atrium to release some capital to PHH in dividends, in the form of dividends.
Q. And pardon me, I think I know what the answer is, but I just, I didn't ask it this way before, but is it correct that you've never been a director, an officer or an employee of Atrium?
A. That is correct.
Q. Do you see Board of Directors minutes from Atrium?
A. I have not seen Board of Directors minutes from Atrium.
Q. Have you ever discussed Board of Directors meetings with any of the participants?
A. People have come out of Board of Directors

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meetings and have asked me questions or asked me to perform work, but I don't know if that was discussed at the Board meeting or not because I'm not, they're not sharing the notes and everything else with me what went on.
Q. Do you remember who made such a request of you?
A. People that have asked me questions about Atrium through time have -- there have been many. I do not know if these people were or were not on the Board, but I'll, generally the people that have made the requests are Mark Danahy, Mike Bogansky, Joe Suter, Dave Bricker, Rob Crowl. I'm not certain which of them, if any of them, are on the Board of Atrium.
Q. But these were all requests to you to do some kind of analysis or get some kind of information pertaining to Atrium?
A. Right, so there would be a decision that needed to be made around Atrium and they'd ask some questions and then I would go either work with the MIs or work with our outsource consultant, Ken Bjurstrom from Milliman, or try to look at data in our systems and try to extract an answer, you know, to answer the question.
Q. Do you know someone named James Clemons?

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A. Vaguely rings a bell, but I cannot -- no, I don't know him.
Q. So offhand you don't know who he is?
A. I don't know who he is.
Q. Okay. So you described for me Atrium's business.
How would you characterize Atrium's business strategy?
A. Atrium's business strategy was to reinsure loans that were properly priced at the loan level. So if the MI premium was proper for the risk inherent in the loan, that would be a loan that we'd want to go into Atrium.
We, Atrium's strategy was also to make sure that the construct of the reinsurance agreement was a properly priced and legal and binding contract so that the exchange of premium for the acceptance of the corridor risk was priced to achieve the transference opinions and also was done in such a way that Atrium was not accepting too much risk because you could take a ton of risk and that would pass risk transference, you want to take just enough risk to pass risk transference and then to invest its capital wisely and then make loans as necessary.
Q. With respect to, I'll ask you a little bit

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more about this later, but the risk transference opinions you're talking about are written opinions issued by somebody else?
A. Yes.
Q. So you mentioned pricing being proper.
How did or does Atrium price its reinsurance?
A. Are you asking about the reinsurance corridors and the cede it's receiving or are you asking about the loans that Atrium is reinsuring?
Q. I'm asking about the former, the structure of the reinsurance.
A. Okay. What Atrium would look at, you would engage Milliman to look at the loans that were going in, provide us an actuarial opinion, does it pass risk transference and what, what corridors would pass risk transference. So it was the attachment point and detachment point proper for that premium cede Atrium was earning and is that as good of a deal as we could get and still pass risk transference.
So the strategy was to, you know, of course, you know, business people, you want to minimize the risk you're taking but you want to be compliant to all the regulations to make sure that you would achieve the passing of risk transference, that you took enough

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risk for the mechanism to be viable.
Q. You used some terminology which I was going to ask you about later but we might as well talk about it now. You talked I think about attachment points.
A. Yes.
Q. So that's referring to an excess-of-loss reinsurance structure?
A. Yes.
Q. And what's the attachment point?
A. The, what does the attachment mean?
Q. What does that mean?
A. Mean, okay. The attachment point means a book of business is developed and let's just say it's a course of one year. So all the loans that PHH insured with a specific MI would be aggregated together for a book year, say 2007. And it would then say great, when, go figure out how much insurance coverage was provided and how much risk the MI company was exposed to by that grouping of loans.
And then that, let's say that's a million dollars, okay. What you would then do is say, okay, the attachment point we agreed to contractually is, let's say it's 4 percent. So you would multiply 4 percent by the one million dollars and you'd come up with 40,000 dollars.

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When losses exceeded 40,000 dollars for that specific grouping of loans, that's when Atrium would begin to have to pay claims. But up and to 40,000 dollars of loss on that grouping of loans, the MI would cover all claims.
Q. And then I understand there's also a detachment point?
A. Correct.
Q. And what's that?
A. The same situation I described in the prior commentary to develop the attachment point, if the detachment point was, the attachment point is called 4 percent, the detachment point is called 14 percent. That's when Atrium stops paying claims.
So the attachment point in our previous example was when losses exceeded 40,000 dollars on that group of loans, so the MI pays all losses up to 40,000 dollars. Then Atrium pays all losses between the attachment and detachment point so when losses are between 40,000 and 140,000 in this example, Atrium pays all claims, the MI pays no claims.
And then when losses exceed the detachment point, the MI takes back over all the claim obligation, so Atrium is paying a corridor of claims.
Q. Is there always just one corridor?

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A. In all of the agreements we have negotiated at Atrium, there's been one corridor. And a corridor can change year to year or between agreement and agreement, but there's only one attachment and one detachment. I'm unaware of any other deals.
May I get a break shortly?
Q. Absolutely. I was just going to offer one, actually, so why don't we take a 10-minute break.
A. Great. Thank you.
(Recessed 9:56 a.m.)
(Reconvened 10:11 a.m.)
BY MR. GORDON:
Q. Back on the record. And, Mr. Rosenthal, you understand that you're still under oath?
A. Yes.
Q. I wanted to pick up where we left off. We were talking about Atrium and about the reinsurance business there and I wanted to ask you, has Atrium in your experience done its own underwriting?
A. Can you explain that a little more, please.
Q. Has it done any underwriting on the underlying loans that it was reinsuring?
A. It's my understanding Atrium does not underwrite loans.
Q. And when was the first captive deal or

arrangement that Atrium entered into?
A. It was before my time, I believe it was 1997, 1996 time zone.
Q. And do you recall when Atrium paid its first claim on any reinsurance policy?
A. I believe it was around 20 -- probably 2008 or 2009 it paid its first claim. I think it had some reserves built up to -- loans were defaulting, it just hadn't had to make a payment yet earlier.
Q. And I asked you a little bit, we talked about the excess-of-loss structure and some of the other aspects, attachment points and detachment points; do you remember that?
A. Yes.
Q. Has Atrium ever had quota share reinsurance deals?
A. No.
Q. Do you know why not?
A. We analyzed a quota share deal back in approximately 2007, 2006, 2007. We, the economics of the quota share deal were not as attractive to us as the excess-of-loss deals, so we chose to stick with the excess-of-loss deals.
Q. Did you do that analysis?
A. I looked at the analysis that our actuary

Milliman performed for us.
Q. And do you recall why it was not as attractive as the excess-of-loss?
A. I believe it required more capital, that was one reason to make it less attractive because it would have taken more capital infusions. That was pretty much the main driver.
Q. So excess-of-loss requires less capital than quota share, at least the deals you were looking at?
A. The deals I was looking at required less capital.
Q. And with respect to Atrium's liability under the policies, is that limited to the funds in the particular captive trust as you understand it?
A. So my understanding of Atrium is the -- yes, so there's a trust for each mortgage insurance captive reinsurance arrangement and the books are cross-collateralized.
Q. And books are?
A. Book years.
Q. And my question was is it your understanding that that trust or what's in that trust constitutes all of Atrium's liability under the applicable reinsurance policy?
A. That's my understanding, all the premiums

and all the capital that's in, in that trust is the exposure to which Atrium is exposed.
Q. Okay. So hypothetically if a trust were exhausted by claims, Atrium's liability would be extinguished?
A. If, if the capital is, if the capital falls below a certain minimum threshold, this is my understanding, if the capital falls below a certain minimum threshold, then Atrium is no longer permitted to receive its portion of the ceded premium and it could choose to put a capital infusion in to the trust, but it's not a contractual obligation that it must put a capital infusion in to the trust. But if it doesn't, it's no longer going to earn the premiums that were as part of the deal.
So if you chose not to put any more money in to the trust, the most it could lose was the money, all the premiums and all the capital it initially put in to the trust and all the, all the re, too.
Q. And that as far as you know describes all of Atrium's captive earnings arrangements?
A. Yes, that's my understanding of all similar in that fashion.
Q. Who would you say are Atrium's competitors?
A. I'm not sure if I classify as Atrium having

a competitor. I mean to me Atrium needs to, the way I think about a competitor is a competitor is bidding for business and Atrium is only acquiring business from PHH.
Q. From PHH?
A. Well, they are PHH mortgages that are being placed in, mortgage insurance is being acquired and then those loans are being placed in to the captive reinsurance. So it's not like Atrium's out there bidding on any other collateral from any other companies.
Q. And they're being placed into the reinsurance by the mortgage insurance companies?
A. I think that's, yes, I think that's the way it works, is the mortgage insurance -- PHH buys mortgage insurance from the mortgage insurance company and I think the mortgage insurance company puts the, does the ceding deal and the transaction with Atrium. I don't think, I'd have, I'm not certain. I don't think PHH is a partner to that deal.
Q. Are you familiar with third party or non-captive reinsurance in the mortgage space?
A. No, sir.
Q. So you couldn't name anybody who provides that?

A. Can you describe what third party or non-captive reinsurance is?
Q. Well if a mortgage guaranty company were to go out in the market and say well I don't want to get captive or I don't want to just get captive, I want to find a reinsurance company that will reinsure some of my mortgage guaranty risk, are you familiar with that market?
A. Not really, but I see what you're saying, is if another entity was out there willing to purchase mortgage reinsurance from an MI and they could lay off some of the risk, I'm not familiar with that.
Q. I wanted to ask you about a couple of your colleagues. Some of them you've named already.
You said with respect to Mr. Bradfield you've reported to him for about seven years --
A. That's correct.
Q. -- is that right?
And what has Mr. Bradfield's role been at PHH during that time?
A. He's been senior vice president capital markets and he has recently been appointed treasurer at PHH.
Q. And he is still with PHH?
A. Yes.

Q. What about Mr. Danahy, what has, what was Mr. Danahy's role at PHH?
A. When Mark Danahy left PHH he was president of the PHH Mortgage Company. He had held different roles earlier in his career.
Q. Do you remember roughly how long he was president of PHH Mortgage?
A. I'm going to estimate two to three years.
Q. And do you remember roughly when he left PHH?
A. I'm going to estimate three years ago.
Q. So around 2010?
A. 2010 I'll estimate, yeah.
Q. Okay. Have you worked with a Jeff Levine at PHH?
A. Yes, I have.
Q. And what, what has his role been when you've worked with him?
A. Jeff's in charge of our pricing area, so Jeff's role is to establish the pricing that, our rate sheets that borrowers or correspondents see and sell loans to PHH under it.
Q. Is Jeff involved at all in pricing with respect to Atrium or Reinsurance?
A. I don't know that there's really any pricing

with respect to Atrium or Atrium Reinsurance. It's a, Jeff sets all prices, so whatever price is done at PHH to buy loans or close loans, Jeff's in charge of it.
Q. Okay. Well let me ask it a bit different way then.
Have you worked with Mr. Levine on anything having to do with Atrium or Reinsurance?
A. I've had conversations with Mr. Levine in respect to Atrium and Reinsurance, yes.
Q. And he's still with PHH?
A. Yes, he is.
Q. Have you worked with Janice Vorndran?
A. The name is definitely familiar. I think she's in our accounting division, but I'm not certain.
Q. Okay.
A. Though I know I recognize the name.
Q. What about Mike Bogansky?
A. Yes.
Q. And what has Mr. Bogansky's role been when you've worked with him?
A. Mike, Mike is now our controller and that's probably been for about the last six months and prior to that, he was in our finance division and he was a vice president in our finance division.
Q. And what did you work with him on?

A. I've come into contact with him on many topics. One of them is Atrium and discussions around the computations and the transactions and the amendments of Atrium. I've also worked with him on establishing loss reserves. We've worked together on the MSR committee, what is the value of our mortgage servicing rights. We've worked together on whenever we do a deal that requires PHH to take recourse or some sort of esoteric risk, we'll work together to make sure that, because the different type of trade and it's a little bit out of the norm, we make sure that the accounting for it is right and it's reported properly and accurately on our financial statements and in our books.
Q. And I take it from what you said Mr. Bogansky is still with PHH?
A. Yes, he's still there.
Q. Okay. Have you worked with Liz Rudolph?
A. Yes.
Q. And what was her role when you were working with her?
A. I still work with her. She is still with the company. Her role is now, she no longer works in product management, so from -- until about six months or a year ago she worked in product management

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developing our products, communicating with our correspondents, you know, setting our products up in our system. Her team would have been the ones to work on adding new participants to the dialer.

She has a new role at PHH and it's a role of control and organization, so making sure that any changes in the company go through a very tight protocol to make sure that there are no unforeseen events that happen around, you know, if I push this glass one inch that way, what did it do to that cup (indicating).

Her job is now making sure that everything, when every change in the system anywhere, it's all known and signed off on. So we stay compliant in respects to, you know, all the mortgage rules.

Q. And you mentioned the dialer which we were discussing before.

Is it fair to say that the dialer is how PHH distributes the market share among MIs?

A. Yes.

Q. And that MIs knew in their dealings with you that to get more at least borrower paid MI business from PHH they had to be programmed in to the dialer?

A. The mortgage companies knew that for me to send them retail loans, they had, yeah, or

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correspondent loans they had to be in the dialer because I had no manual method. You know, it had to be systemic with us.

Q. And that was through the dialer?

A. Through the dialer, right.

Q. And I think you were talking about the costs of adding an MI to the dialer.

A. Yes.

Q. And those were non-trivial; is that right?

A. Correct. I believe that the cost to add someone to the dialer was in the neighborhood of 100,000 dollars or more.

Q. Did any MI ever pay a part of those costs?

A. I don't know. I am not certain. I know there was talk if it were permissible to have them pay it, but I don't ever know if it was, ended up being permissible or if anyone paid.

Q. Do you remember any communications with any MIs about that possibility?

A. Yes.

Q. And who was that with?

A. I can remember having conversations with I believe MGIC, perhaps RMIC on that topic. I don't think we ever, I don't think we took money from them to pay for those. I'm not certain. I did not take

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money.

Q. Do you recall roughly the time frame of those discussions?

A. I'll estimate it was 2006, 2007.

Q. I wanted to ask you now just turning to some more terminology so that I can understand it, I've seen the terms EA 2s and EA 3s, capital EA and a numeral.

Do you know what those mean?

A. Yes.

Q. What do they mean?

A. Fannie Mae and Freddie Mac in the early 2000s started classifying the quality of loans, the riskiness of borrowers based upon a wider scale.

So a prime loan to them might have received an approved eligible and a loan that was a little bit sketchier, either a higher LTV, a lower credit score, a high DTI, maybe the borrower had some delinquent payments in their history, Fannie Mae would classify them as EA 1, expanded approval 1, or EA 2, expanded approval 2 or EA 3 or caution.

So they kept going further and further down the quality grade, quality from a probability the borrower would default. And they classified those as different levels of EA and Freddie had their own

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terminology for that, which was slightly different.

Q. So this is Fannie Mae terminology?

A. Yes. You would receive that message from the D.U. machine.

Q. The which?

A. D.U., delegated underwriter, designated underwriter -- desktop underwriter. Sorry. Desktop underwriter. But, yeah, Fannie Mae's engine, what you would pass to Fannie Mae's engine would be D.U. I only know it as D.U.

You would pass all the parameters and characteristics of the loan and it would render a decision and it would tell you these are the documents you need to collect to close the loan and sell us that loan.

Q. Just so I'm clear, an EA 1 would be of higher quality than a EA 2 or 3; is that how it worked?

A. In Fannie Mae's opinion, that's correct.

Q. Do you know what the designation capital O, capital R stands for within PHH?

A. I think it probably means operational reporting.

Q. And I can give you a little more context, I can show you a document, too, if it helps, but my

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understanding from the documents is that OR produced a daily dialer report?
A. That would be operational reporting.
Q. Okay. And did you see the daily dialer report or do you?
A. I do not see it. I'm not a recipient of it. I would be the individual or in the group of individuals who would determine what percentage of the dialer would go to what entity.
From time to time if there was trouble with the dialer, maybe somebody would send me a report saying, you know, we tried to have it at 25 percent to this company and it's at 27 percent, then we have to go resolve why.
Q. So would you --
A. I wasn't looking at it each day, no.
Q. But you'd see it from time to time?
A. Only when there was a problem that needed to be resolved.
Q. Just a couple of other terms. I've seen the term landscape applied to loans.
What does that refer to?
A. Fannie Mae and PHH entered into a transaction in I'll estimate 1999 and we built the, what was called the dedicated channel for a lot of our

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retail business. And so Fannie Mae built a special engine with a similar DU, desktop underwriter, and it was applied to these loans. In the -- and it was called landscape, that was the name, changing the landscape of mortgages, that was the, you know, why.
And then loans would go through that engine and be documented to that engine as opposed to DU. Fannie Mae would buy them from PHH directly.
Q. I've seen in some spreadsheets the company or entity was listed as Big House Productions.
Do you know what that is?
A. Yes. There was a guy named Dave Giancoli who worked in our shop who had a sense of humor and wrote some models for us and he, instead of his user name being Dave Giancoli, he listed himself as Big House Productions and I see that every now and then that are still in use. He's actually back at the company now, so.
Q. I wasn't prescribing any particular significance to that, I was just --
A. No, it's just humorous, that's all.
Q. What about the term jump ball report?
A. The jump ball report is, it's a report of the MI that PHH can control, so when a correspondent sent us loans and they were selecting the MI, we

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couldn't control to which MI those went. So they were not jump ball. And then if it, if it came to us where we could control it, it was jump ball and those loans could be placed into the dialer to the random selection.
Q. So do jump ball loans equal retail loans?
A. There's another, I'm sorry, just to make absolutely sure, there's also a jump ball, and I'm not sure the document to which you're referring, but there's also a jump ball to -- as to can a loan be sold to Fannie Mae only, Freddie Mac only or either. That, too, could be named jump ball, so, depends upon which document we're looking at.
Q. Let me show you something so we can clarify that.
So, Mr. Rosenthal, I'm passing you a document which has been pre-marked as Exhibit 221. This is a two-page document, front and back.
And I'll just note for the record this appears to be an E-mail thread around August of 2007, and why don't you go ahead and review the document in your own time and let me know when you've had a chance to do so.
A. Yes, this jump ball report would have been in reference to which MI is being selected.

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Q. So the first category you were talking about?
A. Yes.
Q. Okay. You can put that aside.
What was the significance to PHH of whether something was jump ball or not? Did it matter?
A. Yes. We would measure the quantity of loans that we could send to one MI or another and that would help drive the market share and the happiness of the MI company with us.
Q. Was that the only way that mattered to you?
A. Pretty much. I mean we were trying to, the MIs, theirs sales coverage would give us a call and say, you know, may I get more, I want more volume and we see you did X dollars of, make it up, 100 million dollars of MI last month and we only received 20 million, so that's a 20 percent share and I'd say but I only could control 50 million.
You received 40 percent share of what I could control, I'm sorry you didn't get any of the other volume that I couldn't control, but the correspondents aren't selecting you. I don't control who the correspondents select. You should go out and market to correspondents so they pick you and then when it comes through, it goes to you.

Q. One last term, do you know what the term forced business means?
A. Can you give me some context around that, please.
Q. Actually if you can take another look at Exhibit 221, that last one.
A. Okay.
Q. And again, take time to review it if you want, on the front page, 01, Ms. Rudolph's message to yourself and two others, the third paragraph down she says, and I quote, a drill should occur to analyze the jump ball report logic, parenthesis, as this captures forced business as well, unquote.
Do you have a sense of what she's referring to when she says forced business?
A. I would think that the forced business are the ones that were selected by the correspondent because that would be forced. So in this context, it's forced to GE. I don't have a choice. The correspondent delivered it to me with GE insurance on it, so it's forced to go to GE.
Q. So in that sense it was forced upon you and you didn't have a choice?
A. It's not my choice, so when I'm responding to the quantity of loans to say UGI is getting what

percentage, I couldn't control those because it came to me with Genworth insurance.
Q. So jump ball and forced business are mutually exclusive things?
A. Yes. Yes. And they're complete, it is either jumped or it is forced.
Q. Okay.
A. Now you, but you also see on here, just so I want to, is the landscape.
Q. This is on the back page?
A. On the back page, the LDPRA, LDPRF, those didn't have MI on them, so on column four and column five on this back page of the document on the bottom, LDPRA and LDPRF did not have MI.
Q. Was that because they were below 80 percent LTV?
A. They were above 80 and Fannie Mae was doing, I was taking some recourse on the loans and I was not putting MI on the loans and then I'm not sure what Fannie Mae was doing with them after that.
Q. What does it mean to take recourse?
A. If a loan missed a payment in the first 18 months and went 120 days delinquent, after it missed that payment, then I would have to buy the loan back at full value. So 100,000 dollar UPB, I would

have to buy the loan back for 100,000 dollars.
Q. And because of that commitment on your part, you weren't required to get mortgage insurance?
A. That's correct.
So I only say that because forced, it would be part of the force -- we didn't acquire MI on it so it was not.
Q. Are you familiar with what I believe are called cession statements?
A. Yes.
Q. And what are cession statements?
A. The MI companies calculate each quarter, I believe, the quantity of money that should be ceded to the mortgage reinsurer and it goes through the accounting of what loans are in the book of business, what losses have been incurred, what premiums have been received, what expenses have been incurred and it calculates out and then it compares the amounts that could or should be dividended to different contractual levels and then it determines, okay, this is the payment that PHA -- sorry, I misspoke, the payment Atrium should make to the MI or the payment the MI should make to Atrium.
Q. Okay. And just to be clear, this is under the captive reinsurance arrangements?

A. Yes. Yes.
Q. Okay. Do you see cession statements regularly?
A. I receive them on a quarterly basis from Genworth and from UGI. I do not spend any time looking at them. I'm a recipient, but I don't look at them.
Q. Why just Genworth and UGI?
A. Well actually I no longer receive them from Genworth and I probably just received my last one from UGI, given that the transactions were commuted. Those are in the top of my memory.
I more than likely received cession statements from Radian and CMGMI multiple years ago when we still had captives, active captives with them.
Q. Do you know if cession statements are submitted to anybody other than Atrium or PHH, like to regulators?
A. I do not know.
Q. I wanted to ask you now about, do you recall an RFP or an RFI that was sent by PHH to seven MI companies in 2006?
A. Yes.
Q. By the way, what does RFP mean?
A. Request for proposal.

Q. Okay. And that proposal, that request I should say in 2006, were you responsible for that?
A. Yes.
Q. Tell me what all of your responsibilities were with respect to that RFP.
A. I was the, Rich Bradfield and the leadership team requested that I go out and expand the MI providers with whom we did business and arrange captive reinsurance transactions with them if it made sense.
So my responsibilities were to, amongst others, you know, work with IT in the business to expand the dialer, if necessary, negotiate the best captive reinsurance arrangement terms, evaluate XOL or quota share utilizing Milliman as our actuary, make sure that anything that we did passed risk transference and set up and establish relationships with the, you know, best MIs to add to our dialers so we could expand the breadth of our product offering and optimize the business value of all the arrangements.
Q. And did you prepare and send written requests that was actually sent to the MIs?
A. Yes, I believe I did.
Q. And were you the point of contact for the

MIs during the whole RFP process?
A. I was the main point of contact.
Q. Were there others that you remember from PHH?
A. I am sure that others at PHH came in touch, communication with them, but I was the main point of contact.
Q. And after the RFP was complete, did you make recommendations as to, for instance, how PHH should direct its business to the MIs?
A. We talked as a team and we made the determination of which partners we wanted to pursue at.
Q. And who was the team?
A. The team was, to the best of my recollection, Rich Bradfield, Mark Danahy, Terry Edwards, and then on a lesser extent from an operational perspective Liz Rudolph. Those were the main participants.
Q. And during the period when you were engaging in this RFP, were you reporting to Mr. Bradfield?
A. Yes.
Q. Mr. Rosenthal, I'm going to hand you a document that has been pre-marked as Exhibit 205. This is a two-page document, front and back, and I

would ask you to review the document, let me know when you've had a chance to look it over.
A. (Witness examining document).
I've reviewed it.
Q. Okay. Do you know what this document is?
A. I don't remember it exactly from seven years ago, but it looks like something I would have put together to share with the management team the strategy that I was pursuing as I did this RFP.
Q. So roughly when do you think this document was prepared?
A. I would estimate it was prepared in December or early Fall of 2006.
Q. And just to call your attention to a couple of things.
As you look down, there's a major bullet that says topics of RFP and then a bunch of sub bullets --
A. Yes.
Q. -- do you see that?
There's a sub bullet, says goals, and then sub to that a couple of more bullets, one of which starts capital efficient; do you see where that is?
A. Yes.
Q. And in parenthesis it says, original risk in

force no longer there, how to free up capital; do you see that?
A. Yes.
Q. Do you know what that refers to?
A. I am guessing it refers to the following, as loans pay off and the, pre pay, so the risk of a loan is no longer there because either the loan is paid off or the MI has been dropped, because MI was no longer required once you hit a 78 LTV and the borrower had a certain payment history, then the risk was no longer in the book, yet we have to in, underneath these contracts you can't dividend out the earned premiums until a number of years have gone by.
Q. And when you say in the book, you're referring to the reinsurance book year?
A. Yes, I am. The reinsurance book year. So a certain quantity of time needs to pass by and other hurdles need to be met in order to dividend out the moneys.
So however it is possible to make it as efficient as possible to minimize the quantity of capital required in the reinsurance contract while still being viable for risk transference was the goal and objective, just to write it in such a way that it allowed Atrium to dividend out capital as, as

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optimally as possible.
Q. Right under that do you see there's another sub bullet that says accelerate dividends; do you see that?
A. Yes.
Q. Can you explain what that means?
A. Similar topic, more than likely repetitive as I look at this today.
Q. And the following bullet says stands the test of time, in parentheses, self-adjusting, closed parentheses; do you know what that means?
A. Yes, that's a, that's an interesting one in that as you put riskier loans in to a captive, the risk transference opinion can be -- the riskier a loan is, the higher the expected loss is on the loan, the more times the borrower is going to come into trouble. So the more frequently a borrower comes in trouble, your expected losses are higher.
So if you put in a book of really rough loans, poorer quality loans, not from an underwriting perspective, but riskier loans, you can achieve risk transference per Milliman, you buy taking a, either a smaller corridor or a higher attachment point, so what it wanted to do is make sure that as the loans were entering the book, we couldn't control the riskiness

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of loans coming in to the book, we kind of, we receive at PHH what the market is bringing so if the loans start being riskier, we wanted the captive to adjust to be a riskier -- a captive based upon a riskier set of loans. And if the loans were less risky, we wanted the captive to adjust to be based on a less riskier set of loans, so the attachment and detachment points were self-adjusting so we would always be risk transference and always be an optimal set of terms.
Q. So that was the goal?
A. That was the goal.
Q. If you look a little farther down, one of the hollow bullets it says thoughts on freeing up capital in existing structures; do you see where that is?
A. Yes.
Q. Does that mean existing captive structures as far as you can tell?
A. Yes.
Q. So at this time would that have been just Genworth and UGI?
A. Yes.
Q. And on the sub bullet to that, there's five of them, but the fourth one says petition insurance companies to release early; do you see that?

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A. Yes.
Q. Do you know what that refers to?
A. That meant contacting UGI or Genworth and requesting from them permission to dividend early.
Q. And finally, the third from the bottom bullet in parenthesis, somebody named Marty Foster is named.
Do you know who Marty Foster is?
A. Yes.
Q. And who is that?
A. He runs our servicing division.
Q. You can put that one aside.
Was there a particular precipitating decision or event which caused you to put out this RFP at this time?
A. Not that I recall, other than the loans were changing in their risk characteristics and we wanted to make sure that the structures were adjusting and there were some new structures in the market.
Q. Captive structures?
A. There were, yes, I'm sorry, there were new captive structures being offered by the MIs in the market that we became aware of and we wanted to make sure we explored that.
We also wanted to add people to our dialer,

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so we increased the number of MI companies with whom we were dealing.
Q. So add new MIs to the dialer?
A. Correct.
Q. Okay. Mr. Rosenthal, I'm going to hand you what has been pre-marked as Exhibit 138. And if you would review that document, let me know when you've had a chance to review it.
A. In depth, all the way through?
Q. I'm going to ask you sort of generally about categories in, particularly about a couple of matters on the second page.
A. Very good.
(Witness examining document).
Okay.
Q. All right. Do you recognize this document?
A. It looks like a document that I would have sent to, for the request for proposal for the captive reinsurance in addition to my providers.
Q. And this one is addressed to Mr. Nichole?
A. Yes.
Q. And he, although it doesn't say, I believe he's at UGI or was at that time; is that right?
A. Yes.
Q. If you recollect, yeah.

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If you'd turn to the second page, under PHH strategic plan, the third paragraph reads as follows, currently approximately 50 percent of our retail originations greater than 80 percent LTV are self-insured. We currently acquire borrower paid mortgage insurance on the remaining 50 percent of our retail originations and all of our wholesale and correspondent originations. As part of this RFP, we are considering acquiring borrower paid mortgage insurance on our self-insured collateral. We are also open to expanding our lender funded mortgage insurance product.
Did I read that correctly?
A. That is accurate.
Q. Does this refresh your memory about part of the impetus for doing the RFP at this time?
A. Yes. We were contemplating in this time period eliminating the landscape low down-payment premium program and possibly insuring those landscape loans with MI.
Q. And were those landscape low down-payment loans that you're describing --
A. It was the self-insured, I'm sorry.
Q. That's what self-insured refers to?
A. I didn't mean to, yes, yes, that's what

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self-insured refers to.
Q. Okay. Great.
And just briefly sort of reviewing through the remainder of the document, under the requests for information starting on the third page there are a series of headers, corporate strength and company overview, products and services, risk sharing and credit enhancement alternatives, policy servicing, economic and market analysis and other capabilities and ancillary services.
So as far as you can recall, are those the categories that you asked all of the MIs about?
A. Yes.
Q. Okay. And then on the last page, bates number ending 2594, under time frame you request that responses be sent both to PHH and to Milliman, and Ken Bjurstrom in particular at Milliman.
Did you work with Mr. Bjurstrom on the RFP?
A. Yes, he was doing a lot of the evaluation of the different captive reinsurance structures for us.
Q. You can put that one aside.
So half of your retail originations were what you were calling self-insured at that time or up to that time; is that right?
A. That's what the document says.

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Q. Do you have any reason to believe it's incorrect?
A. No, I would imagine it's correct.
Q. And you were potentially putting that half out there for borrower paid MI?
A. Yes. We had been selling, when landscape was designed, the goal and objective of Fannie Mae was to have it be the low down-payment premium, which is self-insured, under this document, and Fannie Mae had agreed to let that be borrower paid MI, which was more industry standard from the borrower perspective.
We, we were always selling uphill. Borrower, for a loan above 80, borrower MI was the natural talked about thing at a, you know, with all your neighbors, it was a normal thing. And a, you know, any other structure was unique.
Q. So consumers anticipated it?
A. Right. Borrower paid MI was the expected norm and then we would start talking about this low down-payment premium adjustment and it wasn't the norm in the market so you'd have to sell through it, around it, as opposed to, you know, what, let's just go do our typical cookie-cutter loan just like everybody else in the industry. It's easier. There's one less piece of information that you have to sell to the

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borrower.
Q. So through this RFP, it was potentially a very large increase coming in the amount of PHH business that was going to MIs, correct?
A. Yes, it would have been a significant increase.
Q. And as a result of the RFP, do you recall how much of this volume actually was moved to the MIs?
A. I don't recall. May I look at the report again?
Q. Oh, absolutely.
A. On the second page of the report it shows that there was 2.5 billion dollars of retail. If half of that was borrower pay, that's a billion 250, so the lender -- or the LDPRA self-insured would have been a billion 250. So assuming that same concentration moved forward, it would have been about a billion 250.
Q. And I just want to make sure you understand my question is, and if you recall, is whether that actually happened in due course after the RFP?
A. I, yes, I believe that we, we were permitted by Fannie Mae to use borrower paid MI under the landscape engine. We were also permitted to continue with the self-insured portion of it and it would just be whatever the salesperson sold.

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But the mortgage insurance aspect of that grew and then the landscape program even offering that by 20 -- I'm guessing, 2009, went away entirely and it went all to borrower paid MI.
Q. So between the time that you instituted whatever changes you made as a result of the RFP and 2009, do you have an order of magnitude sense of how much moved to MI from landscape?
A. I would guess half of it, but I don't, I don't remember the number. But I would guess half of it. And then by mid-2009 I believe was the year all of it went to borrower paid or mortgage insurance as opposed to landscape.
Q. So that would include FHA and other things?
A. Oh, we, we are still doing FHA, we continue doing FHA. No change to the Government programs. I was speaking merely of the conforming conventional business.
Q. So we talked a little bit, you had mentioned Milliman and the RFP responses were directed to, both to you at PHH and to Milliman.
Can you tell me more about what Milliman's role was in the RFP process?
A. We were using Milliman to perform actuarial services and estimates of what is the value of the

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transaction to PHH, given the expected claims and losses that would occur and also to make sure that the price PHH was receiving for the risk PHH was accepting was fair and that it would pass risk transference.
So we were using Milliman for, you know, what would the results of, is it, is it permissible, does it pass risk transference and what are the expected results.
Q. So I'm clear, when you say making sure that it was fair, is that the same thing as passing risk transference or is that a different consideration?
A. It, let me try to explain this a different way.
If I said to you I'll absorb all losses and you can pay me 10 percent of the premium, that would pass risk transference. That wouldn't be fair to Atrium or PHH. We took all the risk, we're only getting a little bit of the premium. So to be fair, we wanted to make sure that what PHH was being paid was consistent with the risk PHH was accepting.
Passing risk transference is another similar question, but it's a different question in that we took enough risk, there is a possibility of loss and it passes risk transference. It doesn't, it can be unfair and pass risk transference. It can't be too

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good and pass risk transference. For example, if I said I'll take 10 percent of the premium but I can never pay any losses, that wouldn't pass risk transference to me because I took no risk.
Q. And so when you say part of their function was to make sure the transaction was fair, in some sense it was to insure that you were getting a good deal?
A. Yes, and so, in two ways, the captive was structured and priced and valued properly for the risk we were taking and the loans that were entering the captive were priced fairly. So if the loan is priced fairly and the captive is priced fairly, then it was a fair transaction.
Q. Did Milliman examine anything in response to the RFP, other than the captive deals that were being proposed?
A. I don't remember. Most of our content was around, with Milliman was around the captive deals which were posed and the possible structures that could occur.
Q. Do you have an understanding, and I want to make clear I'm just asking about your understanding, not where it may have come from, do you have an understanding of why these arrangements would have to

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pass risk transference?
A. Yes, I believe so.
Q. And what's your understanding?
A. My understanding is you don't want to create a fraudulent transaction whereby we would be receiving money for steering business somewhere as a kickback.
If we're actually taking risk in return for a premium, then it's not just guiding business because we're looking for a kickback.
Q. And, Mr. Rosenthal, I'm going to pass you what has been pre-marked as Exhibit 213 and if you would take a moment to review it, let me know when you've had a chance to do so.
A. (Witness examining document).
Okay.
Q. And this appears to be an E-mail you sent to Mr. Bjurstrom on December 20th, 2006, and the subject is Genworth captive indication.
Do you know what this document is?
A. It appears to be an E-mail I sent to Ken Bjurstrom looking for an opinion about a captive that Genworth not firmly offered to me but he was talking about this structure might work.
Q. And do you recall at this time period, December of '06, was there a lot of back and forth

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with the MIs about how the captive structures would look or might look?
A. Yes, yes, there was a lot of conversation with the MIs. It was right during our request for proposal.
Q. And down at the bottom the next to last sentence says, as you are aware, both of these options are subject to outside actuarial/risk transfer opinion.
Do you see that?
A. Yes.
Q. And those are the written opinions we've been discussing that you're referring to there?
A. Yes.
Q. Have you seen those risk transfer opinions or any of them?
A. I don't recall.
Q. Do you know who prepares them?
A. It would be Ken Bjurstrom from Milliman.
Q. Have you ever, have you ever heard of any prepared by anybody else?
A. Ken has a partner at Milliman and his name is Michael Schmitz, I believe, he probably also prepares them, but I think he prepares them for the mortgage insurance companies. There are other

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actuaries I'm sure in the industry that prepare them as well.
I'm forgetting the name of the other company that offered their service to me once or twice through time but I never engaged them.
Q. You can put that one aside.
A. Can we get a break soon, doesn't have to be right at this minute.
MR. GORDON: Absolutely. Right now is a good time.
THE WITNESS: Okay. Thank you.
MR. GORDON: Take 10?
MR. SOUDERS: Yeah.
(Recessed 11:09 a.m.)
(Reconvened 11:23 a.m.)
MR. GORDON: Just one housekeeping thing, Mr. Souders, I forget to ask you at the beginning, you're entitled to have the entire transcript marked as confidential if you wish to do so.
Do you wish to do so?
MR. SOUDERS: Yes.
MR. GORDON: Okay.
BY MR. GORDON:
Q. Mr. Rosenthal, you understand you're still under oath?

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A. Yes.
Q. Okay. I'm going to hand you what has been pre-marked as Exhibit 204, and if you would take a moment to review that and let me know when you've had a chance to do so?
A. Okay, sir.
Q. Do you know what this document is?
A. This appears to be another document that I put together to talk about the strategy that I was going to, you know, deploy as I was going through the RFP.
Q. And so you, do you assume that this was prepared at some point during the RFP?
A. Can I go back and refer to that other document we've seen?
Q. Certainly.
A. It's not a closed book test.
Q. Please just let me know which one you're referring to so the record is clear.
A. I'm referring to this document, the 2011-002402 extension 205, Exhibit 205.
Q. Okay. Exhibit 205, thank you.
A. I'm sorry. Okay. So this was October 2006 and this is shortly there, I'm guessing shortly thereafter, okay.

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Q. Okay. And I just wanted to ask you about a couple of particular items on here.
The second major bullet says use leverage to renegotiate captives with MIs; do you see that?
A. Yes.
Q. What does leverage mean there?
A. It would mean to try to get the best deal possible that passes the risk transference opinion.
Q. But what is the leverage in that sense?
A. The leverage would be we'll send you mortgage insurance and you give us as good of a deal as is possible.
Q. And the second major bullet says, excuse me, that was the second major bullet, the third one says engage Milliman, and there's a sub bullet under there, the third one says risk transference/optimization; do you see that?
A. Yes.
Q. Do you know what optimization means there?
A. I am going to guess that that means make sure that the captive is structured in such a way that it is optimal. And going back to the conversation we had a few moments ago, if the loans became more risky, the attachment point should increase and if the loans became less risky, the attachment point should

decrease, but it should be the optimal attachment/detachment point for that cede that was, would pass risk transference.
Q. And the major heading above that is engage Milliman, so how did Milliman fit into that analysis?
A. We would ask Milliman what passes risk transference, because I don't have the ability to model that. We, we were using, utilizing Milliman for opinions of what, what structures will and won't pass transference.
Q. And so we were talking a few moments ago, you said there was some back and forth about captive structures or potential captive structures with the MIs that you had during the RFP process; do you remember that?
A. Yes.
Q. So captive was Atrium's product, so why didn't you structure it instead of soliciting the MIs to come up with structures and then bring them to you?
A. The MIs are more savvy and have done many more of these deals and know what will and won't pass risk transference and that's what they do all day long, that's their business model.
They had individuals at the MIs who were solely responsible for structuring captives and

determining what, not that we're relying on them for what passes risk transference, but they had a belief of what passed risk transference, so since they had the expertise, leverage their expertise to provide this to us. What are you willing to offer us, you know, what, what are you guys willing to offer us to do the deal, to do the business.
Q. Did you, in dealing with the MIs, did you give them general guidelines for what you were looking for?
A. We wanted to minimize the quantity of capital we were putting in to the transaction and we wanted to get the best, we wanted to pass risk transference, we wanted it to adjust based upon the characteristics of the loans as they evolve through time and change through time. So we wanted the captive to be self-adjusting. We wanted it to be simple and understandable because if it gets too esoteric and I don't really understand the models, I can't make a judgment on that's a good deal or a bad deal. So wanted to keep it simple.
Q. Can you think of examples of arrangements that were, you considered to be too esoteric?
A. Yes. The Triad arrangement, I didn't follow it.

Q. That was in response to this RFP?
A. Yes, so they had, as I recall, a black box that would calculate up the risk and they would say, and maybe even PMI had even a similar kind of thing, they would say our model says it was this much risk and then it would calculate and I couldn't follow how their models were calculating it.
So if it's not transparent and simple, I try to avoid it, and one of the reasons we've been pretty successful at PHH is we've always been pretty transparent and simple and we didn't follow and go crazy on all those products that some of the others did that made no sense and structures.
Done?
Q. We're done with that for you now.
And I'm going to hand you what's been pre-marked as Exhibit 209.
Please take a moment to review that and let me know when you've had a chance to do so.
A. (Witness examining document).
Okay, sir.
Q. And this appears to be a three-page E-mail thread from October of 2006 between you and a couple of folks at the PMI group; is that correct?
A. Yes, it appears that way.

Q. And I want to direct your attention to, first to the first page toward the bottom, your message to Mr. Beagles, down at the very bottom it says I have also listed some additional answers in the body of the E-mail below and then if you turn the page to the message from Mr. Beagles to you, the exhibit is reproduced in color and down at the bottom if you see there are some bold red remarks. Are those your responses to Mr. Beagles?
A. It appears that they would be.
Q. If you look at the very bottom of that second page, Mr. Beagles' message reads there, I think that will be a good start. What we will do in the meantime is develop some thinking and methodology around the actual risk-based entry point and layer for further discussion.
Did I read that accurately?
A. Yes.
Q. And then in red afterwards it says, immediately after that, I think high cede, late attachment, short corridor, low capital, fast dividend.
Can you walk me through what each of those terms mean?
A. Yes. I can.

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Q. And in the fourth bullet do you see, it says UGI, begin to work the current capital return book commutation angle with them.
Do you see that?
A. Yes, I do.
Q. So just to be clear, the UGI captive was not commuted around this time frame, right?
A. No, it was not.
Q. Do you have a sense of what the current capital return angle was?
A. Yes. We wanted to negotiate with them that there were many years, many book years, cohorts, if you will, that had paid down and had experienced minimal losses and we wanted them to return the capital supporting those book years because there was low chance of loss in those years.
Well we're not saying there's low chance of loss in all the captives, those happened to be good book years that performed well and we wanted to have the capital, as much of the capital as possible returned and dividended to Atrium so they could send it to the parent company.
Q. And what about the book commutation angle?
A. I don't remember the book commutation angle. I am guessing what it meant is maybe you could commute

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a couple of books as opposed to the entire structure and I don't think that that ended up being permissible because the books are all cross-collateralized. I think that's what that was.
Q. Okay. You can put that one aside.
So with respect to capital return on those early book years, over the next weeks and months you actually did pursue that with UGI; isn't that right?
A. We did. I don't recollect if it was the next weeks and months but we did pursue that with UGI and we were able to get some capital return from those early book years.
I just want the record to note that at 5:17 a.m. I was working. Tell my boss.
Q. Duly noted.
Again, I'm going to hand you what's been pre-marked as Exhibit 149. Please let me know when you've had a chance to review it.
A. Okay, sir.
Q. So this is a message from you to I take it Dan Walker and Nick Nichole at UGI --
A. Yes.
Q. -- January 10th, 2007.
Now that you look at this, does this appear to be the, related to the capital return issue we were

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discussing in the previous document?
A. Yes, it does.
Q. Okay. And the second paragraph, the last sentence reads, I just wanted to let you know that we were on board with your suggestion and wanted to begin the process.
Do you have any memory of what their suggestion was?
A. I'm sorry, I don't.
Q. Okay. You can put that one aside.
A. It was probably likely capital return or dividend as opposed to a commutation, giving the other doc.
Q. So, and I apologize, let's go back to that document for just one sec. That same paragraph we were looking at that starts when you return, it reads at the beginning, when you return, we would like to begin the process of amending the Atrium contracts to return the 44 million dollars of capital.
Do you know which contracts you were referring to?
A. I would think I would be referring to the Atrium contracts between UGI and Atrium setting up the captive reinsurance structure.
Q. So I take it it was not possible for PHH to

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just unilaterally pull the money out in a dividend?
A. No, the contract specified that there's a custodian or a trustee that holds the money and you need to gain releases and permissions to move the money.
Q. And apparently according to this message you had to amend the contracts?
A. It looks like we had to amend the contracts in order to have this money dividended and we negotiated with UGI to get that accomplished because they agreed in these book years the capital was no longer required.
Q. Do you remember any of the back and forth that followed between UGI and PHH over this capital return issue?
A. After this time?
Q. Following that last message.
A. I don't specifically remember it.
Q. Okay, Mr. Rosenthal, I'm going to hand you what's been pre-marked as Exhibit 239. This is a one-page document. Let me know when you've had a chance to review it.
A. (Witness examining document).
Okay.
Q. And does this refresh your memory about some

of the discussions between you and UGI about capital return?
A. A little bit in that Dan and myself and, are talking about, I kind of remember a spreadsheet that walked through what was the required capital to remain adequate in, within the reinsurance structure and what they could release to us.
Q. And it sounds like, if I'm reading the third paragraph right, in December, that would be December of 2006, I assume UGI had discussed a figure of 34 million but now according to the second paragraph it's up to 44.9 million?
A. Okay. That's what the document shows. Is there a question?
Q. There is not. If you'll indulge me for a moment.
A. Absolutely. I'm sorry.
Q. Okay. You can put that one aside.
You don't recall, do you, how much PHH responded with in terms of a figure, an appropriate figure for the dividend, do you?
A. I don't specifically recall. I would have wanted as much as possible because always was looking out for the interests of Atrium to, you know, extract as much capital as possible from the structure and

still be within the, you know, agreement and acceptability of the contracts to pass risk transference and to support what was necessary for the agencies and the MIs.
Q. Now I'm going to hand you what's been pre-marked as Exhibit 237. This is a two-page document.
Let me know when you've had a chance to review it.
A. (Witness examining document).
Okay.
Q. So this is your response to Mr. Walker's message on top?
A. It appears it is.
Q. And does this message, I direct your attention to your third paragraph, does it refresh your memory about what PHH's position was about the appropriate dividend?
A. Yes. I do have memory now of looking at the analytics they performed and then noticing that the book years prior to 1997 were now finished. And my understanding was there is no more risk on those because Atrium, I believe it was a 10-year term and then after the 10 years Atrium steps out of the way and no longer receives premiums and no longer has

risk. So there's a little bit of discrepancy as to when -- not discrepancy, wrong word.
When a claim begins, I think if a claim begins in the ninth year, tenth month and goes delinquent, it can bleed longer than 10, but in general at the 10 year point you stop earning the premiums, you stop having the risk and then the capital should be returned. So I don't know that, as I looked at it, it looked like capital was still being held.
My review of the spreadsheet they shared was we shouldn't have to hold that capital and when I walked through his analytics, I think I noticed that maybe he missed a little bit and we were possibly entitled to a little more.
Q. So when you say the capital should be returned for those older book years?
A. It was.
Q. That's not the way the current, the contract, the agreement as you understand it with UGI provided for at that time; isn't that right?
A. No, I think that the contract did provide for that and perhaps the analysts who were doing it just didn't return it, this calculated spreadsheet. I believe the contract permitted that return at that

time and I just think that the calculation that was performed omitted this fact that it should have returned it.
Q. Okay. You can put that one aside.
A. I don't think I was trying to amend the contract on that piece.
Q. By the way, when you were talking about returning capital, can you just explain to me what you mean by that?
What you mean by capital, in other words, that's being returned?
A. Okay. The trust has money held in it. The trust cannot dividend any money out of it unless it's granted authority by the MI. So the trustee needs to be given the direction from UGI to send to Atrium money that would not be encumbered by the trust.
So the return of capital could be just a release saying, yeah, you can sell the securities that are in there or you can release the cash in there Mr. or Mrs. Trustee and give that back to Atrium and take it out of our trust that we hold to our benefit, and our benefit being UGI.
Q. And when you're, you're talking about getting authority from the MI for a dividend, that's your understanding of all Atrium's captive

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arrangements, or are you specifically talking about UGI?
A. Yes, there is a separate trust for each of the captive arrangements and then each MI would have to grant permission and authority to remove or dividend any moneys out of it so the trustee hangs on to all the capital and money until they get the, that express written consent, guidance that it's okay to be extracted.
Q. And I think when you were referring to taking capital out of the trust, you referred to it as PHH's capital?
A. It would have been Atrium's capital and then Atrium, so Atrium has many trusts and the trusts have encumbered capital, or money or securities. And then if they're released to an Atrium parent, now they're unincumbered and you just need to get the permission of the regulator, the insurance regulator to have that dividended back to the parent PHH.
So once the money is out of the trust and in Atrium, then you petition the insurance regulator to permit PHH to extract that unincumbered capital out of Atrium.
Q. Okay. And with respect to the capital return issue that you were dealing with Mr. Walker and

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Mr. Nichole on, during this same period in January of, what was it, 2007, you were also negotiating with UGI regarding the terms of their captive or perspective captive; is that right?
A. I believe that's consistent with the dates you've shown me.
Q. I'm going to hand you what's been pre-marked as Exhibit 238. This is a multi-page document. Please let me know when you've had a chance to review it.
A. (Witness examining document).
Okay, I've reviewed the document.
Q. And this appears to be an E-mail thread that started I think in December of 2006 and then concludes with some messages on January 16th, 2007. And I just wanted to ask you about your message to Mr. Nichole in the middle of the first page, 9:54 a m. on the 16th.
At the top of that message it says the request would be to add 50 BPS to every number if you can. That would make you competitive against some of the other levels that I am seeing.
First of all, what's 50 BPS?
A. One half of one percent.
Q. So that's basis points?
A. 50 basis points.

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Q. Can you explain to me what that would make you competitive is referring to?
A. So this is in the time frame when we were evaluating the other captive reinsurance alternatives some of the other providers were offering and they had come up with a variable captive structure which varied, the attachment point would vary based upon the riskiness of the loans.
The offers that the others had made to me must, and I don't see it here, but must have had some higher attachment points for the construct we were talking about in the reinsurance transaction and this is my telling Nick that his offer to us was less competitive, less compelling. The attachment point was lower for the same cede than what some of his competitors were sharing with us.
Q. So you're --
A. So Atrium would be taking, Atrium would be accepting risk earlier than the competitors were having Atrium accept risk.
Q. So in a sense you're asking him to sharpen his pencil?
A. Exactly, said much more simply.
Q. You can put that one aside.
So returning to the capital return issue, do

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you recall whether you did, in fact, take a capital dividend from UGI in 2007?
A. I don't recall the date, but I do know that we were able to get a dividend from UGI.
Q. Do you remember roughly how much that dividend was?
A. It was in the ball park of the 40 to 50 million dollar range, but it, but again, that's not a number that's sticking in my head.
Q. And, Mr. Rosenthal, I'm going to hand you what's been pre-marked as Exhibit 240, this is a three-page document. Please let me know when you've had a chance to review it.
A. (Witness examining document).
I have reviewed this document.
Q. Okay. And this is an E-mail thread from March of, March 2nd of 2007.
Does this refresh your memory about what the exact amount of the dividend was?
A. It appears as though it was 52,125,000 and change.
Q. Now we talked before about the way the trust functions in the captive arrangements and I just wanted to get clear, it's your understanding that once that figure, that amount, the 52 million dollars and

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change was removed from the trust, it was no longer available to pay Atrium's claims to UGI?
A. That's my understanding.
MR. GORDON: Okay. You can put that aside and why don't we break for lunch now.
MR. SOUDERS: Good.
MR. GORDON: Off the record.
(Lunch Recess 12:34 p m.)
(Reconvened 1:28 p.m.)
BY MR. GORDON:
Q. Back on the record and, Mr. Rosenthal, just reminding you that you're under oath?
A. Yes.
Q. We talked earlier about credit scores in relation to mortgages.
Do you recall a time in 2006 when PHH decided it would like to stop reinsuring loans with borrower credit scores under 600?
A. Yes, I remember.
Q. Tell me the reasons why PHH wanted to make that change.
A. We wanted, PHH wanted to make that change because we did not believe that the mortgage insurance companies were pricing those borrowers correctly. In order for a reinsurance vehicle, or an MI insurer to

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expect to make money and make, have a good trade within their structure, the price to the borrower has to be proper for the risk in the borrower.
And we thought that Fannie and Freddie were making decisions on borrowers which were too permissive, too much risk and the mortgage insurers were not pricing those borrowers correctly, so we chose to try to eliminate those customers from the reinsurance transaction by putting a threshold of less -- wanted to keep it simple, we didn't want to get very layered with the risk or anything like that and make very hard rules, but we basically said less than a certain credit score, eliminate them from the reinsurance transactions so we don't accept the risk. Because in order for a reinsurance structure to be properly priced and good business going in and, you know, we hope it will be profitable, you'd have to have a borrower priced properly and the reinsurance vehicle itself priced properly.
Q. Were there any other reasons that you recall?
A. No, that was it. We continued doing those loans at PHH, we just didn't do them in the reinsurance structure.
Q. And when you sought to make this change in

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2006, that involved both UGI and Genworth; is that right?
A. It involved both. I remember it involved both UGI and Genworth and I think Radian, too.
Q. And once you decided that, okay, we don't want to reinsure these sub 600 loans anymore, could you just stop doing it?
A. We had to negotiate with the mortgage insurance companies to say here are all the loans we're doing and we want to carve these loans out of the transaction but still do them with you. So we had to negotiate that and then we also had to go and talk to our actuarial consultant to make sure when those loans will remove that the remaining loans in the reinsurance deal would still pass risk transference.
Q. And was that Milliman?
A. Yes.
Q. And in the event as things turned out, in other words, did both you, Genworth and UGI agree to modify the deals in this way?
A. Yes, they both agreed to eliminate those loans from entering the reinsurance structure and continue to provide captive reinsurance for the -- or continue to allow us to provide captive reinsurance for the residual.

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Q. And did they both amend their agreements in order to do that?
A. I think that there was both an amendment done to permit that at that time, yes. They both -- yes.
Q. So you sought to remove the sub 600 loans from the captive, right?
A. Yes.
Q. What did Genworth and UGI get in return?
A. They continued to get Atrium to reinsure the residual loans with the captive and they continued to get business from PHH, but, no, that would be all the economics that happened.
Q. And did there come a time in early 2008 when PHH sought not to reinsure some other loans, those with FICO scores between 600 and 640?
A. I don't remember that.
Q. Mr. Rosenthal, I'm going to hand you what's been pre-marked as Exhibit 224. Let me know when you've had a chance to review it.
A. (Witness examining document).
Okay, I've read it.
Q. And this is an E-mail from you to Mr. Bradfield and Mr. Danahy on February 22nd, 2008.
The first line is per our conversation

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yesterday, UGI won't let us kill the A minus loans/less than 600 -- excuse me, greater than 600, less than 640 loans out of our captive.
First of all, am I reading that right, that that's referring to FICO scores or credit scores between 600 and 640?
A. That's correct.
Q. Does this refresh your memory about this issue?
A. I don't remember it, but it appears that I wrote this E-mail to them to talk about this group of loans.
Q. Do you remember with UGI or anyone else eliminating loans in this category from the captive?
A. Apparently, I'm sorry, apparently I tried to eliminate these loans and it doesn't appear that we were able to do so from the captives. I don't recollect eliminating them with anyone else, either.
Q. Okay. And you have two scenarios with headers in this message, the first one is MI provider addition, parenthesis, dialer addition, closed parenthesis, thought and three bullets, added MI provider to the dialers, right rules that move all of this business to them and don't open up a captive with them.

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Reading this now, do you have a sense of why you proposed that that way?
A. Yeah. If the objective was to eliminate the A minus loans between 600 and 640 from our captive reinsurance transaction, a method of doing so as opposed to having continuing to write them with UGI and just not reinsuring them, that would be one method which is the top discussed. The second method could be the creative method which would be if we added an MI provider to the dialer and we steered the 600 to 640 business via a rule in the dialer to them and we don't sign up a captive with them, we would have achieved our objective of not having this type of collateral in the UGI captive because UGI wasn't insuring these loans.
So I can see how that would have creatively gotten us to accomplish the objective.
Q. You can put that one aside.
And I wanted just for a moment to go back to the subject we were discussing before lunch about the capital return in dividend with UGI.
A. Okay.
Q. Do you remember that discussion?
A. It was the 52 million dollar return?
Q. That's the one. You remember that

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discussion?
A. Yes.
Q. Okay.
A. I'm sorry, yes.
Q. So is it, is it your understanding that in order to get that 52 million dollar return in early 2007, you and, PHH and -- or rather Atrium and UGI modified their reinsurance agreement?
A. We needed to agree that they would return that and yes, we would have needed to modify our insurance agreement to permit us to dividend out that money if it was a change in the agreement.
Q. So you got the dividend more or less that you were looking for?
A. Yes.
Q. And what did UGI get?
A. UGI agreed that the capital within the structure was sufficient to support the remaining risk in the transaction and permitted us to withdraw it. I don't know that UGI got anything else.
Q. We've looked at a couple of documents from 2008 and I just wanted to ask you some questions about the financial crisis and the period leading up to it.
Generally how would you characterize the state of PHH's mortgage business in 2006?

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A. I don't have in front of me, the volumes by year and vintage. I recollect, I mean, and dates kind of blur, but I recollect that 2006 was pre-crisis. That was my recollection, that the crisis began in 2007.
Am I accurate with that assessment, or you're looking for me to respond to this, I'm sorry?
I think then the crisis began, there was a period of time in 2006 or 2007 when the MIs began constricting their underwriting guidelines and they began not honoring some of their pipeline locks. If I can look at a document or two, that would help refresh my timeline.
Q. By all means, take your time.
A. Okay.
Okay. So 2006 was the time of a purchase focus I sort of remember. The crisis had not yet hit in 2006, from some of these documents. It looks like it hit in 2007.
So in 2006 it was moving to a purchase market and, you know, PHH was looking to do as much business and volume as possible, always looking to grow and looking to grow in our Realogy business and our private label business and expand in our retail presence.

Q. What was the first term you used, Realogy?
A. Realogy, yes. Realogy is a, when Cendant spun off PHH Mortgage, it also spun off a company called Realogy and Realogy contained, it's NRT, Century 21 and ERA, Coldwell-Banker, those, it's all the franchise locations and the company-owned stores and there's an agreement between those company-owned stores and PHH Mortgage to, there's a partnership where PHH Mortgage I believe owns 50.1 or 51 percent of this partnership and Realogy owns the other 49 percent.
And loans are, you know, loans are originated and closed in that entity and sold, some of those loans are sold to PHH and some are sold to the market.
Q. And a moment ago you used the phrase purchase business to characterize your business in 2006.
Can you define what that is?
A. Purchase money mortgages, it's loans where borrowers are buying houses as opposed to refinancing their existing loan.
Q. So in other words, that was a predominant kind of mortgage you were dealing with?
A. I believe so.

Q. And I'm not trying to, you know, test the details of your memory, but I assume at some point you started to see different patterns with respect to defaults and things of that sort? Did that happen?
A. We started seeing patterns where the market was being more and more permissive with what was willing to be closed.
So the guidelines of what could alone be, it was becoming more and more permissive, led by Fannie and Freddie, also led by a lot of the structures available in the marketplace and some of the alt A and sub prime business. So underwriting was getting a little looser, quality was going down. I don't know if defaults had begun occurring yet.
Q. In what time frame?
A. 2006.
Q. Okay.
A. But the book was becoming riskier.
Q. Your book?
A. Our book and the market in general.
Q. Do you recall how that changed in 2007, directionally?
A. I don't recollect if the crisis and meltdown, sub prime meltdown occurred in 2007 or 2008. It all blends together when you're having fun, but I

think it was 2008, so I think it just continued being more and more permissive and you started to see some delinquencies, but it had not yet reached epic proportions.
Q. And what would you say the effect of the crisis was on the reinsurance business on Atrium?
A. When the, like in 2008 or 9 when the defaults -- okay.
Clearly Atrium, you know, it began to experience higher and higher delinquencies and higher and higher defaults and began reserving for losses that were going to be forthcoming in the future.
About every, I've been in this business since 1991, I believe, and I think I've seen like three crises now. About every ten years it seems that another crisis comes through. In the '80s it was the Houston, Dallas, crisis. Then there was the Citi Group, alt A crisis in the early '90s I believe. And the late '90s you had long-term capital crises and now, about every 10 years there's another crises that seems to come along and now this crises comes along.
And you just saw a lot of borrowers unable to make their payments and begin defaulting, going delinquent on their loans and where in the past they had always protected their home and no matter what

they always made that mortgage payment; what you started seeing was people stopped paying on their credit cards or cars and -- I'm sorry, they stopped making their mortgage payment and they kept paying on their credit cards or cars, so they kind of switched their prioritization of which debt do I pay, which is very interesting.
Did I get your question?
Q. I think so.
A. Okay.
Q. There's a term also I don't think we've used it today and I wanted to see if you could define it for me, are you familiar with the term deep cede in the reinsurance context?
A. My understanding of a deep cede captive is the 4, 10, 40 structure which PHH has, had.
Q. And 4, 10, 40 refers to the attachment point, the size of the risk band and 40 would be the cede level?
A. Correct.
Q. So a keep cede would be around 40 percent net?
A. Correct.
Q. Do you recall Freddie Mac deciding in early 2008 that it was going to stop accepting deep cede

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loans?
A. Yes.
Q. And it's my understanding that Freddie wouldn't accept loans with more than 25 percent captive ceding?
A. That's my, I remember that, too.
Q. What affect did have on the market?
A. Which market?
Q. On the mortgage market or on the captive market?
A. Okay. So on the mortgage market, I'm not -- well on the mortgage market I don't know that it had any affect. I know mortgage insurance companies decided they would not offer deep cede arrangements anymore, even if the lender wanted to sell all their loans to Fannie Mae because Freddie Mac made the claim that if the mortgage insurance company offered deep cede, they weren't buying any business from the mortgage insurer, period.
So the mortgage insurers weren't willing to offer any longer even for a company who didn't care to sell loans to Freddie Mac. So the deep cede died almost immediately, or as soon as announced.
Q. And do you understand what Freddie's reasons were when they put this cap on of 25 percent?

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A. I can speculate if you'd like me to, but I don't know what was going on in Freddie's mind.
Q. You don't recall reading publications or other things from Freddie about this or statements?
A. I read statements. I read statements. I don't know if they were Freddie's statements, but I read statements from people in the industry talking about how Freddie Mac wanted to make sure that the mortgage insurance companies became healthy. They wanted to, you know, make all the premiums of new business go to them so they could pay their old claims.
But I don't know if that was industry banter or Freddie articles or I don't remember who wrote that kind of stuff.
Q. Mr. Rosenthal, I'm handing you what's been pre-marked as Exhibit 154. This is a two-page document. Please let me know when you've had a chance to review it.
A. (Witness examining document).
Okay, I've read it.
Q. And this appears to be your message to Mr. Walker on February 14th, 2008, and his response. The subject is deep cedes.
In Mr. Walker's response on the first page,

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the last paragraph starts, I think some MI companies argued with Freddie to preserve at least a 25 percent cede for captives.
Was that your impression as well; in other words, before you got this message?
A. My impression's always been that the mortgage insurers like the captives because they took some of the risk off of the -- I'm sorry, mortgage insurers, yeah, because they took some of the risk off a mortgage insurer. So it doesn't surprise me to see them wanting to keep a 25 percent captive to help provide capital to the mortgage insurer.
Q. What about at this particular moment, do you see any particular rationale in February of 2008?
A. Sure, because in a crisis, and as is evidenced by the next few years, the industry needs capital, so reinsurance mechanisms provide exactly that, they provide more capital to the mortgage insurers.
So it's not surprising to me that the industry wants more capital, which they're getting via these, you know, reinsurance structures.
Q. Do you think they wanted also to off load risk at this point?
A. Sure. I think so. It doesn't surprise me

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to want more capital and the industry over the past few years has continued to try to raise more capital so that I think that's all consistent.
Q. You've talked a little bit about the effect of the financial crisis on the MIs and maybe you've alluded to this before, but wasn't one effect a big change in the kind of loans that the MIs would insure?
A. The, before the crisis the MIs were becoming more and more permissive and then after the crisis the MIs became more and more constrictive, constrained.
Q. With respect to the kinds of loans they would accept?
A. Yes. Yes. With the loan characteristics. The higher credit scores, lower LTVs, they varied it by State, you know, lower DTIs. Anything that has risk. They were trying to eliminate some of the risk.
Q. What's DTIs?
A. Debt to income ratio, so taking the borrower's monthly payment of all their debt and dividing it by their monthly income and calculating a ratio and if that number gets too high, then a borrower is less likely to be able to meet other obligations and eventually default.
Q. You can put that one aside.
Now it's my understanding and I think you

EXHIBIT D

Captive Management Services

802 658 9405 Telephone
802 658 0112 Facsimile

CHARTIS

October 26, 2012

Mr. Chris Bowen-Ashwin
PHH Mortgage Corporation
One Mortgage Way
Mount Laurel, NJ 08054

Dear Chris,

Following are the GAAP basis financial statements for Atrium Reinsurance Corporation as of September 30, 2012. The financials were prepared with the balances provided by you. Upon review, please note the following:

- There were no material differences between the account balances you provided and the balances we calculated.

Other outstanding items:

- Back-up/invoices for expenses that have been paid for by Atruim in September 2012 and any outstanding invoices that are being accrued for in 2012.
- January – May and July-August 2012 JP Morgan Bank Statements.

Please feel free to contact me if you have any questions.

Regards,

Aimee Dessaint

Aimee Dessaint
Account Executive

Cc: Michael Bogansky

Chartis
30 Main Street, Suite 330
Burlington, VT 05401
www.chartisinsurance.com

ATRIUM REINSURANCE CORPORATION
GAAP UNAUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

Prepared by:	Reviewed by:
Aimee Dessaint	Marie Davis

Prepared by: Chartis Insurance Management Services, Inc.
30 Main Street, Suite 330
P.O. Box 1687 (05402-1687)
Burlington, VT 05401
Telephone: (802) 658-9405
Fax: (802) 658-0112

Atrium Reinsurance Corporation
GAAP Unaudited Financial Statements
As of and For the Period Ended September 30, 2012

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Atrium Reinsurance Corporation
Comparative Balance Sheets
September 30, 2012

	2012	December 2011
Assets		
Cash	$585,598.01	$522,558.85
GE Trust - Investments	0.00	74,046,910.25
UGI Trust - Investments	125,615,496.99	152,018,296.71
GE Trust - Cash & Cash Equivalents	0.00	170,703.41
UGI Trust - Cash & Cash Equivalents	422,436.91	218,265.52
Premium Receivable	2,822,275.22	4,717,458.78
Accrued Interest	368,211.13	929,303.53
Total Assets	**129,814,018.26**	**232,623,497.05**
Liabilities & Shareholders Equity		
Liabilities		
Unearned Premium	78,883.59	255,900.39
Reserve for Insurance Losses	39,705,886.57	83,695,275.68
Commissions Payable	299,096.47	468,028.49
Accrued Expenses	266,747.16	377,293.98
Intercompany-Mortgage	0.00	4,395.00
Income Tax Liability	33,038.00	31,634.00
Federal Income Tax Deferred	(4,342,214.45)	(6,262,210.41)
Federal Income Tax Payable/ (Receivable)	(8,695,715.30)	(8,168,141.93)
Total Liabilities	**27,345,722.04**	**70,402,175.20**
Shareholder's Equity		
Common Stock	1,500,000.00	1,500,000.00
Dividends	(5,000,000.00)	(5,000,000.00)
Additional Paid-in Capital	136,731,807.69	183,899,950.04
Unrealized Gain/(Loss) on Investments	969,737.86	1,870,090.03
Retained Earnings	(20,048,718.22)	(11,338,148.76)
Current Earnings	(11,684,531.11)	(8,710,569.46)
Total Shareholder's Equity	**102,468,296.22**	**162,221,321.85**
Total Liabilities & Shareholder's Equity	**129,814,018.26**	**232,623,497.05**

Atrium Reinsurance Corporation
Comparative Income Statements
For the Nine Months Ending September 30, 2012

	MTD	Fiscal YTD 2012	Fiscal YTD 2011
Underwriting Income			
Assumed Premium Written	$943,450.47	$10,040,097.39	$16,731,831.49
(Increase) / Decrease in Unearned Premium	4,589.26	79,731.78	86,017.10
Premiums Earned	**948,039.73**	**10,119,829.17**	**16,817,848.59**
Underwriting Expenses			
Losses Incurred	1,662,509.00	28,696,784.32	29,876,462.00
Policy Acquisition Costs	99,954.61	1,046,441.68	1,698,837.55
Total Underwriting Expenses	**1,762,463.61**	**29,743,226.00**	**31,575,299.55**
Net Underwriting Profit (Loss)	**(814,423.88)**	**(19,623,396.83)**	**(14,757,450.96)**
Investment Income			
Interest Income - UGI	76,380.36	950,847.07	1,428,103.01
Interest Income - Genworth	0.00	277,677.52	692,342.50
Realized Gain/(Loss) on Investments	2,120.00	1,042,849.37	857,612.39
Bank Charges	0.00	(26,870.51)	(30,312.54)
Net Investment Income	**78,500.36**	**2,244,503.45**	**2,947,745.36**
General & Administrative Expenses	**(5,890.00)**	**595,148.44**	**850,098.85**
Income (Loss) Before Taxes	(730,033.52)	(17,974,041.82)	(12,659,804.45)
Federal Income Tax Expense	(255,042.99)	(6,289,510.71)	(4,430,930.92)
Net Income (Loss)	**(474,990.53)**	**(11,684,531.11)**	**(8,228,873.53)**

Atrium Reinsurance Corporation
Comparative Statements of Shareholder's Equity
September 30, 2012

	2012	December 2011
Common Stock	**$1,500,000.00**	**$1,500,000.00**
Paid In Capital	**136,731,807.69**	**183,899,950.04**
Dividends	**(5,000,000.00)**	**(5,000,000.00)**
Unrealized Gain/(Loss) on Investments	**969,737.86**	**1,870,090.03**
Retained Earnings / (Deficit)		
Opening Balance Jan 1,	(20,048,718.22)	(11,338,148.76)
Net Income (Loss) current year	(11,684,531.11)	(8,710,569.46)
Closing Balance Retained Earnings (Deficit)	**(31,733,249.33)**	**(20,048,718.22)**
Total Shareholder's Equity	**$102,468,296.22**	**$162,221,321.85**

Atrium Reinsurance Corporation
Comparative Schedules of General and Administrative
For the Nine Months Ending September 30, 2012

	MTD	Fiscal YTD 2012	Fiscal YTD 2011
Audit Fees	$4,969.16	$52,848.44	$63,203.25
Legal Fees	(15,000.00)	42,267.37	142,383.26
Professional/Consulting Fees	1,016.85	476,090.43	603,747.97
Fran TX/Bus Fees/Licenses	3,123.99	23,942.20	40,764.37
Total General and Administrative Expenses	**($5,890.00)**	**$595,148.44**	**$850,098.85**

ATRIUM REINSURANCE CORPORATION
Cumulative Underwriting Schedule
By Mortgage Insurance Carrier
For the Period Ending September 30, 2012

	Genworth	UGIC	Total
Underwriting Income			
Assumed Premiums Written	$ 136,926,201	$ 349,606,523	$486,532,724
(Increase)/Decrease in Unearned Premiums	-	(78,884)	(78,884)
Assumed Premiums Earned	**136,926,201**	**349,527,639**	**486,453,841**
Underwriting Expenses			
Paid Losses	28,571,236	113,408,635	141,979,871
Change in Outstanding Reserves	-	33,650,062	33,650,062
Incurred But Not Reported Losses	-	6,055,824	6,055,824
Loss on Termination	15,854,192	-	15,854,192
Ceding Commissions	14,595,121	45,503,586	60,098,707
Total Underwriting Expenses	**59,020,549**	**198,618,107**	**257,638,656**
Net Underwriting Income/(Loss)	**$ 77,905,653**	**$ 150,909,532**	**$ 228,815,185**

ATRIUM REINSURANCE CORPORATION
YTD Underwriting Schedule
By Mortgage Insurance Carrier
For the Period Ending September 30, 2012

	Genworth	UGIC	Total
Underwriting Income			
Assumed Premiums Written	$ 1,438,124	$ 8,601,973	$ 10,040,097
(Increase)/Decrease in Unearned Premiums	49,396	30,335	79,732
Assumed Premiums Earned	**1,487,521**	**8,632,308**	**10,119,829**
Underwriting Expenses			
Paid Losses	7,863,551	28,083,011	35,946,562
Change in Outstanding Reserves	(7,001,972)	(18,951,788)	(25,953,760)
Incurred But Not Reported Losses	-	2,849,790	2,849,790
Loss on Termination	15,854,192	-	15,854,192
Ceding Commissions	135,459	910,983	1,046,442
Premium Deficiency Reserve	-	-	-
Total Underwriting Expenses	**16,851,230**	**12,891,995**	**29,743,225**
Net Underwriting Income/(Loss)	**$ (15,363,709)**	**$ (4,259,687)**	**$ (19,623,397)**

ATRIUM REINSURANCE CORPORATION
Cumulative Underwriting Schedule, by Book Year
United Guaranty Residential Insurance Company
For the Period Ending September 30, 2012

	1999 & Prior	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Estimate	Total
Underwriting Income													
Assumed Premiums	127,698,402	28,800,447	28,945,262	27,632,728	22,714,543	42,997,957	26,358,324	12,046,719	18,586,870	9,951,049	2,003,029	1,871,194	349,606,523
Change in Unearned Premiums	-	0	(0)	(527)	(4,072)	(11,666)	(14,953)	(9,689)	(21,582)	(3,872)	(12,523)	-	(78,884)
Assumed Premiums Earned	**127,698,402**	**28,800,447**	**28,945,262**	**27,632,201**	**22,710,471**	**42,986,291**	**26,343,371**	**12,037,030**	**18,565,287**	**9,947,176**	**1,990,506**	**1,871,194**	**349,527,639**
Underwriting Expenses													
Paid Losses	-	-	-	-	-	15,524,827	32,918,613	21,934,771	37,402,183	8,636,591	-	(3,008,350)	113,408,635
Change in Outstanding Reserves	-	-	-	-	-	13,104,489	13,407,235	-	-	7,138,338	-	-	33,650,062
Incurred But Not Reported Losses	-	-	-	-	-	655,224	-	-	-	356,917	-	5,043,683	6,055,824
Ceding Commissions	21,103,415	3,196,850	3,212,924	3,067,233	2,521,314	4,772,773	2,925,774	1,337,186	2,063,143	1,104,566	-	198,409	45,503,586
Total Underwriting Expenses	**21,103,415**	**3,196,850**	**3,212,924**	**3,067,233**	**2,521,314**	**34,057,313**	**49,251,622**	**23,271,957**	**39,465,326**	**17,236,412**	-	**2,233,742**	**198,618,107**
Net Underwriting Profit	**106,594,988**	**25,603,598**	**25,732,338**	**24,564,969**	**20,189,157**	**8,928,978**	**(22,908,251)**	**(11,234,927)**	**(20,900,038)**	**(7,289,236)**	**1,990,506**	**(362,547)**	**150,909,532**
Reinsurance Contract Terms as of the August 31, 2012 Reports													
Original Principal	16,744,927,179	5,622,492,695	4,443,600,597	3,362,401,557	1,849,329,910	2,873,458,888	1,566,204,719	757,600,572	1,392,090,189	901,155,678	502,533,780		40,015,795,764
Original Risk	4,158,486,131	1,294,769,736	1,091,927,028	908,396,584	505,202,659	844,853,686	463,258,477	219,347,708	374,021,830	237,967,784	116,791,262		10,215,022,885
% Attachment Point		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		
% Limit Point		14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	10.00%		
$ Attachment Point	190,874,563	51,790,789	43,677,081	36,335,863	20,208,106	33,794,147	18,530,339	8,773,908	14,960,873	9,518,711	4,671,650		433,136,030
$ Limit Point	567,466,990	181,267,763	152,869,784	127,175,522	70,728,372	118,279,516	64,856,187	30,708,679	52,363,056	33,315,490	11,679,126		1,410,710,485
Original Ceded Risk (Captive)	**376,592,427**	**129,476,974**	**109,192,703**	**90,839,659**	**50,520,266**	**84,485,369**	**46,325,848**	**21,934,771**	**37,402,183**	**23,796,779**	**7,007,476**		**977,574,455**
Current Ceded Risk (Captive)	-	-	-	-	**50,520,266**	**68,960,542**	**13,407,235**	-	-	**15,160,188**	**7,007,476**		**155,055,707**
Direct Losses Incurred													
Direct Paid Losses & LAE	25,686,496	10,158,753	9,333,823	11,733,965	13,513,284	49,318,974	51,448,952	37,254,576	55,661,523	18,155,302	343,956		282,609,604
Direct Loss Reserves & LAE	348,694	291,372	845,972	2,876,440	4,828,542	13,104,489	15,074,515	9,059,500	18,920,186	7,138,338	415,777		72,903,825
IBNR Reserves	17,434	14,569	42,299	143,822	241,427	655,224	753,726	452,975	946,009	356,917	20,789		3,645,191
Total Incurred Losses	26,052,624	10,464,694	10,222,094	14,754,227	18,583,253	63,078,687	67,277,193	46,767,051	75,527,718	25,650,557	780,522		359,158,620
First Loss Layer Remaining	N/A	**41,326,095**	**33,454,987**	**21,581,636**	**1,624,853**	**(29,284,540)**	**(48,746,854)**	**(37,993,143)**	**(60,566,845)**	**(16,131,846)**	**3,891,128**		**73,977,410**

EXHIBIT E

Captive Management Services

802 658 9405 Telephone
802 658 0112 Facsimile

CHARTIS

April 25, 2012

Mr. Chris Bowen-Ashwin
PHH Mortgage Corporation
One Mortgage Way
Mount Laurel, NJ 08054

Dear Chris,

Following are the GAAP basis financial statements for Atrium Reinsurance Corporation as of March 31, 2012. The financials were prepared with the balances provided by you. Upon review, please note the following:

- There were no material differences between the account balances you provided and the balances we calculated.

Other outstanding items:

- Any outstanding invoices for expenses that have been paid for and accrued for that we have not received for 2012.
- JP Morgan Bank Statements in 2012.

Please feel free to contact me if you have any questions.

Regards,

Aimee Dessaint

Aimee Dessaint
Account Executive

Cc: Michael Bogansky

Chartis
30 Main Street, Suite 330
Burlington, VT 05401
www.chartisinsurance.com

ATRIUM REINSURANCE CORPORATION
GAAP UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2012

Prepared by: Aimee Dessaint

Reviewed by: Marie Davis

Prepared by: Chartis Insurance Management Services, Inc.
30 Main Street, Suite 330
P.O. Box 1687 (05402-1687)
Burlington, VT 05401
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Atrium Reinsurance Corporation
GAAP Unaudited Financial Statements
As of and For the Period Ended March 31, 2012

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Atrium Reinsurance Corporation
Comparative Balance Sheets
March 31, 2012

	2012	December 2011
Assets		
Cash	$9,422,558.85	$522,558.85
GE Trust - Investments	63,700,609.09	74,046,910.25
UGI Trust - Investments	140,791,177.09	152,018,296.71
GE Trust - Cash & Cash Equivalents	306,158.15	170,703.41
UGI Trust - Cash & Cash Equivalents	340,879.07	218,265.52
Premium Receivable	4,372,153.29	4,717,458.78
Accrued Interest	655,047.76	929,303.53
Total Assets	**219,588,583.30**	**232,623,497.05**
Liabilities & Shareholders Equity		
Liabilities		
Unearned Premium	235,845.35	255,900.39
Reserve for Insurance Losses	71,757,862.87	83,695,275.68
Commissions Payable	435,398.66	468,028.49
Accrued Expenses	333,119.88	377,293.98
Intercompany-Mortgage	257,388.34	4,395.00
Income Tax Liability	32,102.00	31,634.00
Federal Income Tax Deferred	(5,436,851.50)	(6,262,210.41)
Federal Income Tax Payable/ (Receivable)	(9,432,273.30)	(8,168,141.93)
Total Liabilities	**58,182,592.30**	**70,402,175.20**
Shareholder's Equity		
Common Stock	1,500,000.00	1,500,000.00
Dividends	(5,000,000.00)	(5,000,000.00)
Additional Paid-in Capital	183,899,950.00	183,899,950.04
Unrealized Gain/(Loss) on Investments	1,378,353.74	1,870,090.03
Retained Earnings	(20,048,718.22)	(11,338,148.76)
Current Earnings	(323,594.52)	(8,710,569.46)
Total Shareholder's Equity	**161,405,991.00**	**162,221,321.85**
Total Liabilities & Shareholder's Equity	**219,588,583.30**	**232,623,497.05**

Atrium Reinsurance Corporation
Comparative Income Statements
For the Three Months Ending March 31, 2012

	MTD	Fiscal YTD 2012	Fiscal YTD 2011
Underwriting Income			
Assumed Premium Written	$1,427,502.94	$4,546,469.67	$5,942,099.63
(Increase) / Decrease in Unearned Premium	3,191.15	20,055.04	33,922.87
Premiums Earned	**1,430,694.09**	**4,566,524.71**	**5,976,022.50**
Underwriting Expenses			
Losses Incurred	3,951,324.00	5,546,060.00	12,811,662.00
Policy Acquisition Costs	146,261.17	463,794.36	602,465.28
Total Underwriting Expenses	**4,097,585.17**	**6,009,854.36**	**13,414,127.28**
Net Underwriting Profit (Loss)	**(2,666,891.08)**	**(1,443,329.65)**	**(7,438,104.78)**
Investment Income			
Interest Income - UGI	120,209.20	370,012.48	527,252.92
Interest Income - Genworth	76,305.14	218,305.41	243,098.80
Realized Gain/(Loss) on Investments	98,913.55	566,713.04	76,363.21
Bank Charges	0.00	(8,804.42)	(10,404.18)
Net Investment Income	**295,427.89**	**1,146,226.51**	**836,310.75**
General & Administrative Expenses	**66,533.63**	**200,014.75**	**245,129.07**
Income (Loss) Before Taxes	(2,437,996.82)	(497,117.89)	(6,846,923.10)
Federal Income Tax Expense	(852,830.99)	(173,523.37)	(2,402,484.51)
Net Income (Loss)	**(1,585,165.83)**	**(323,594.52)**	**(4,444,438.59)**

Atrium Reinsurance Corporation
Comparative Statements of Shareholder's Equity
March 31, 2012

	2012	December 2011
Common Stock	**$1,500,000.00**	**$1,500,000.00**
Paid In Capital	**183,899,950.00**	**183,899,950.04**
Dividends	**(5,000,000.00)**	**(5,000,000.00)**
Unrealized Gain/(Loss) on Investments	**1,378,353.74**	**1,870,090.03**
Retained Earnings / (Deficit)		
Opening Balance Jan 1,	(20,048,718.22)	(11,338,148.76)
Net Income (Loss) current year	(323,594.52)	(8,710,569.46)
Closing Balance Retained Earnings (Deficit)	**(20,372,312.74)**	**(20,048,718.22)**
Total Shareholder's Equity	**$161,405,991.00**	**$162,221,321.85**

Atrium Reinsurance Corporation
Comparative Schedules of General and Administrative
For the Three Months Ending March 31, 2012

	MTD	Fiscal YTD 2012	Fiscal YTD 2011
Audit Fees	$4,969.16	$14,907.48	$12,799.74
Legal Fees	0.00	0.00	8,854.82
Professional/Consulting Fees	58,440.48	179,909.01	207,685.14
Fran TX/Bus Fees/Licenses	3,123.99	5,198.26	15,789.37
Total General and Administrative Expenses	**$66,533.63**	**$200,014.75**	**$245,129.07**

ATRIUM REINSURANCE CORPORATION
Cumulative Underwriting Schedule
By Mortgage Insurance Carrier
For the Period Ending March 31, 2012

	Genworth	UGIC	Total
Underwriting Income			
Assumed Premiums Written	$ 137,200,637	$ 343,935,744	$ 481,136,381
(Increase)/Decrease in Unearned Premiums	(132,686)	(103,159)	(235,845)
Assumed Premiums Earned	**137,067,951**	**343,832,585**	**480,900,536**
Underwriting Expenses			
Paid Losses	23,901,589	99,615,193	123,516,782
Change in Outstanding Reserves	22,354,066	41,740,151	64,094,217
Incurred But Not Reported Losses	3,201,000	4,462,646	7,663,646
Ceding Commissions	14,613,514	44,902,545	59,516,059
Total Underwriting Expenses	**64,070,169**	**190,720,535**	**254,790,704**
Net Underwriting Income/(Loss)	**$ 72,997,782**	**$ 153,112,049**	**$ 226,109,831**

ATRIUM REINSURANCE CORPORATION
YTD Underwriting Schedule
By Mortgage Insurance Carrier
For the Period Ending March 31, 2012

	Genworth	UGIC	Total
Underwriting Income			
Assumed Premiums Written	$ 1,615,275	$ 2,931,194	$ 4,546,469
(Increase)/Decrease in Unearned Premiums	13,995	6,060	20,055
Assumed Premiums Earned	**1,629,270**	**2,937,253**	**4,566,524**
Underwriting Expenses			
Paid Losses	3,193,904	14,289,569	17,483,473
Change in Outstanding Reserves	(1,724,325)	(10,861,699)	(12,586,024)
Incurred But Not Reported Losses	(608,000)	1,256,612	648,612
Ceding Commissions	153,852	309,942	463,794
Total Underwriting Expenses	**1,015,431**	**4,994,424**	**6,009,855**
Net Underwriting Income/(Loss)	**$ 613,839**	**$ (2,057,170)**	**$ (1,443,331)**

ATRIUM REINSURANCE CORPORATION
Cumulative Underwriting Schedule, by Book Year
Genworth Mortgage Insurance Corporation
For the Period Ending March 31, 2012

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008	Estimates	Total
Underwriting Income												
Assumed Premiums	2,549	18,152,722	30,551,472	46,844,601	8,121,275	7,834,294	5,454,864	4,484,281	8,118,274	5,263,402	2,372,901	137,200,637
Change in Unearned Premiums	-	-	(14,005)	(20,656)	(13,774)	(9,563)	(10,893)	(35,518)	(10,107)	(18,170)	-	(132,686)
Assumed Premiums Earned	**2,549**	**18,152,722**	**30,537,467**	**46,823,946**	**8,107,502**	**7,824,730**	**5,443,971**	**4,448,763**	**8,108,168**	**5,245,232**	**2,372,901**	**137,067,951**
Underwriting Expenses												
Paid Losses	-	-	-	-	-	5,682,635	8,117,190	6,140,997	3,960,766	-	-	23,901,589
Change in Outstanding Reserves	-	-	-	-	-	4,573,815	3,365,843	5,499,362	8,915,046	-	-	22,354,066
Incurred But Not Reported Losses	-	-	-	-	-	-	-	-	-	-	3,201,000	3,201,000
Ceding Commissions	283	2,014,951	3,391,214	5,199,752	901,461	869,605	605,490	497,756	901,129	-	231,874	14,613,514
Total Underwriting Expenses	**283**	**2,014,951**	**3,391,214**	**5,199,752**	**901,461**	**11,126,055**	**12,088,523**	**12,138,115**	**13,776,942**	-	**3,432,874**	**64,070,169**
Net Underwriting Profit	**2,266**	**16,137,771**	**27,146,254**	**41,624,193**	**7,206,041**	**(3,301,324)**	**(6,644,552)**	**(7,689,352)**	**(5,668,774)**	**5,245,232**	**(1,059,973)**	**72,997,782**
Reinsurance Contract Terms as of the December 31 , 2011 Reports												
Original Principal	-	-	3,708,833,5[illegible]2	3,888,653,645	737,788,426	540,722,933	424,602,559	442,866,419	811,834,894	1,291,211,449		11,846,513,837
Original Risk	-	-	979,093,006	1,055,413,033	195,710,060	149,642,329	114,830,332	116,403,575	224,804,063	322,526,717		3,158,423,115
% Attachment Point	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.50%		
% Limit Point	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	9.50%		
$ Attachment Point	-	-	39,163,720	42,216,521	7,828,402	5,985,693	4,593,213	4,656,143	8,992,163	14,513,702		127,949,557
$ Limit Point	-	-	137,073,021	147,757,825	27,399,408	20,949,926	16,076,246	16,296,501	31,472,569	30,640,038		427,665,534
Original Ceded Risk (Captive)	-	-	**97,909,301**	**105,541,304**	**19,571,006**	**14,964,233**	**11,483,033**	**11,640,358**	**22,480,406**	**16,126,336**		**299,715,977**
Current Ceded Risk (Captive)	-	-	**33,742,621**	**105,541,304**	**19,571,006**	**9,281,598**	**3,365,843**	**5,499,361**	**18,519,640**	**16,126,336**		**211,647,709**
Direct Losses Incurred												
Direct Paid Losses & LAE	-	0	17,020,539	25,444,887	5,791,844	11,668,329	12,710,403	10,797,140	12,952,928	5,771,103		102,157,174
Direct Loss Reserves & LAE	-	0	3,012,291	6,883,735	1,793,089	4,359,178	5,798,650	6,404,117	8,529,775	5,856,252		42,637,088
Incurred But Not Reported	-	0	149,726	328,449	87,724	214,637	280,042	278,287	385,271	274,852		1,998,988
Total Incurred Losses	-	0	20,182,557	32,657,070	7,672,657	16,242,144	18,789,095	17,479,544	21,867,975	11,902,208		146,793,249
First Loss Layer Remaining	-	-	**18,981,163**	**9,559,451**	**155,745**	**(10,256,451)**	**(14,195,882)**	**(12,823,401)**	**(12,875,812)**	**2,611,494**		**(18,843,692)**

ATRIUM REINSURANCE CORPORATION
Cumulative Underwriting Schedule, by Book Year
United Guaranty Residential Insurance Company
For the Period Ending March 31, 2012

	1999 & Prior	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Estimate	Total
Underwriting Income													
Assumed Premiums	127,708,209	28,800,447	28,945,262	27,442,366	22,302,505	41,805,864	25,298,687	11,479,211	17,307,649	9,095,589	1,741,992	2,007,964	343,935,744
Change in Unearned Premiums	-	0	(0)	(3,745)	(5,873)	(15,302)	(20,819)	(13,776)	(24,601)	(4,413)	(14,633)	-	(103,153)
Assumed Premiums Earned	**127,708,209**	**28,800,447**	**28,945,262**	**27,438,621**	**22,296,632**	**41,790,562**	**25,277,877**	**11,465,436**	**17,283,047**	**9,091,175**	**1,727,359**	**2,007,964**	**343,832,591**
Underwriting Expenses													
Paid Losses	-	-	-	-	-	11,389,827	28,954,208	21,976,182	32,556,148	4,738,828	-	-	99,615,193
Change in Outstanding Reserves	-	-	-	-	-	13,695,957	15,014,676	-	4,947,243	8,082,275	-	-	41,740,151
Incurred But Not Reported Losses	-	-	-	-	-	684,798	750,734	-	-	404,114	-	2,623,000	4,462,646
Ceding Commissions	21,105,278	3,196,850	3,212,924	3,046,103	2,475,578	4,640,451	2,808,154	1,274,192	1,921,149	1,009,610	-	212,256	44,902,545
Total Underwriting Expenses	**21,105,278**	**3,196,850**	**3,212,924**	**3,046,103**	**2,475,578**	**30,411,033**	**47,527,772**	**23,250,374**	**39,424,540**	**14,234,827**	-	**2,835,256**	**190,720,535**
Net Underwriting Profit	**106,602,931**	**25,603,598**	**25,732,338**	**24,392,519**	**19,821,054**	**11,379,529**	**(22,249,896)**	**(11,784,939)**	**(22,141,493)**	**(5,143,652)**	**1,727,359**	**(827,292)**	**153,112,055**
Reinsurance Contract Terms as of the February 29, 2012 Reports													
Original Principal	16,745,181,029	5,622,492,695	4,443,600,597	3,362,358,807	1,849,396,840	2,873,083,028	1,566,332,345	758,917,412	1,396,216,645	902,598,853	502,533,780		40,022,712,031
Original Risk	4,158,562,286	1,294,769,736	1,091,927,028	908,385,896	505,226,085	844,722,135	463,326,989	219,761,812	375,033,917	238,277,688	116,791,262		10,216,784,834
% Attachment Point		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		
% Limit Point		14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	10.00%		
$ Attachment Point	190,877,609	51,790,789	43,677,081	36,335,436	20,209,043	33,788,885	18,533,080	8,790,472	15,001,357	9,531,108	4,671,650		433,206,510
$ Limit Point	567,477,652	181,267,763	152,869,784	127,174,025	70,731,652	118,261,099	64,865,778	30,766,654	52,504,748	33,358,876	11,679,126		1,410,957,157
Original Ceded Risk (Captive)	**376,600,043**	**129,476,974**	**109,192,703**	**90,838,589**	**50,522,609**	**84,472,214**	**46,332,698**	**21,976,182**	**37,503,391**	**23,827,768**	**7,007,476**		**977,750,647**
Current Ceded Risk (Captive)	-	-	-	**21,835,819**	**50,522,609**	**73,082,387**	**17,378,490**	-	**4,947,243**	**19,088,940**	**7,007,476**		**193,862,964**
Direct Losses Incurred													
Direct Paid Losses & LAE	25,567,134	9,990,313	9,050,379	11,308,307	12,649,822	45,178,712	47,487,288	32,919,031	47,557,505	14,269,936	146,129		256,124,556
Direct Loss Reserves & LAE	445,941	516,815	1,311,036	2,975,644	5,457,239	13,695,957	15,014,676	9,934,684	20,267,819	8,082,275	295,368		77,997,454
IBNR Reserves	22,296	25,841	65,552	148,782	272,862	684,798	750,734	496,734	1,013,391	404,114	14,768		3,899,872
Total Incurred Losses	26,035,371	10,532,969	10,426,967	14,432,733	18,379,923	59,559,467	63,252,698	43,350,449	68,838,715	22,756,325	456,265		338,021,882
First Loss Layer Remaining	**N/A**	**41,257,820**	**33,250,114**	**21,902,703**	**1,829,120**	**(25,770,582)**	**(44,719,618)**	**(34,559,977)**	**(53,837,358)**	**(13,225,217)**	**4,215,385**		**95,184,628**

EXHIBIT F

Filename "MI Remittance Summary"

(b) (4) [redacted]

[redacted]

Filename "MI Remittance Summary"

(b) (4)

[redacted]

EXHIBIT G

United Guaranty Residential Insurance Company
In Force Schedule
Atrium Re #3-44
September 30, 2012

Policy Year / Certificate Effective Dates Covered	(1) In Force Loan Count	(2) Gross In Force Insured Amount	(3) Gross In Force Risk	(4) Gross Unearned Premium	(5) Gross Case & IBNR Loss Reserves	(6) Ceded In Force Insured Amount	(7) Ceded In Force Risk	(8) Ceded Unearned Premium	(9) Ceded Case & IBNR Loss Reserves
Policy Year 1994	1	50,400	8,568	-	6,208	$ -	$ -	$ -	-
(10/1/93-12/31/1994)									
Policy Year 1995	-	-	-	-	-	-	-	-	-
Policy Year 1996	-	-	-	-	-	-	-	-	-
(1/1/1996-3/31/1997)									
Policy Year 1997	-	-	-	-	-	-	-	-	-
(4/1/1997-12/31/1997)									
Policy Year 1998	3	392,250	117,675	-	95,916	-	-	-	-
Policy Year 1999	15	1,340,729	349,449	-	211,454	-	-	-	-
	.	.	.	.	.				
Policy Year 2000	20	1,669,680	400,350	-	264,319	-	-	-	-
Policy Year 2001	50	4,424,399	1,271,032	-	826,069	-	-	-	-
Policy Year 2002	532	57,083,320	18,057,161	589	2,686,370	-	-	265.02	-
Policy Year 2003	1,648	191,027,421	61,092,773	10,000	4,935,039	157,968,867	50,520,266	4,499.82	-
Policy Year 2004	4,330	544,948,854	173,509,814	24,708	12,574,987	214,746,078	68,374,402	11,118.69	12,574,987
Policy Year 2005	3,473	508,608,214	158,089,905	35,057	15,030,177	40,667,972	12,640,763	15,775.77	12,640,763
Policy Year 2006	1,837	284,370,163	84,785,568	23,157	8,812,623	-	-	10,420.53	-
Policy Year 2007	4,634	731,971,619	197,521,834	46,048	18,316,946	-	-	20,721.76	-
Policy Year 2008	2,855	511,540,532	138,979,262	8,405	7,079,517	54,720,125	14,866,784	3,782.04	7,079,517
Policy Year 2009	1,490	286,179,804	69,184,023	48,816	485,141	28,986,434	7,007,476	12,203.91	-
Total All Policy Years	20,888	$ 3,123,607,385	$ 903,367,414	196,779	$ 71,324,766	$ 497,089,476	$ 153,409,691	78,787.54	$ 32,295,267

Notes
Policy Year 1-3 ceded at 25%.
Policy Year 1998 - 2008 ceded at 45%.
Policy Year 2009 forward ceded at 25%.
Insurance In Force Ceded at percentage of Ceded Risk to Gross Risk In Force for each policy year.
Ceded Risk In Force is the remaining reinsurer exposure and is calculated as follows

A) Gross Risk In Force
B) Paid Loss
C) Uppper Limit
D) Attachment Point
E) Lessor of A+B or C
F) Greater of D or B
G) E - F = Ceded Inforce Risk

Terminated 5/31/08
Reinstated 3/01/09 with new structure

Filename "0912 Sep Settlement" - Worksheet "Accumulation"

	A	B	C	D	E
1	**United Guaranty Residential Insurance Company**				
2	**Original Accumulated Balances**				
3	**Atrium Re #3-44**				
4	**September 30, 2012**				
5					
6					
7					
8			**(1)**	**(2)**	
9	**Policy Year /**		**Original**	**Original**	**(3)**
10	**Certificate Effective**		**Loan**	**Principal**	**Original**
11	**Dates Covered**		**Count**	**Balance**	**Risk**
12	**Policy Year 1994 (10/1/93-12/31/94)**		$ 10,229	$ 1,265,496,586	$ 227,962,492
13					
14	**Policy Year 1995**		9,271	1,180,530,026	286,058,676
15					
16	**Policy Year 1996 (1/1/1996-3/31/1997)**		13,702	1,838,243,715	467,383,501
17					
18	**Policy Year 1997 (4/1/1997 - 12/31/1997)**		13,146	1,859,079,217	479,888,947
19					
20	**Policy Year 1998**		34,236	4,689,932,598	1,199,138,913
21					
22	**Policy Year 1999**		43,581	5,911,645,037	1,498,053,602
23					
24	**Policy Year 2000**		40,850	5,622,492,695	1,294,769,736
25					
26	**Policy Year 2001**		32,255	4,443,600,597	1,091,927,028
27					
28	**Policy Year 2002**		24,153	3,362,404,407	908,399,576
29					
30	**Policy Year 2003**		12,928	1,849,329,910	505,202,659
31					
32	**Policy Year 2004**		19,915	2,873,458,888	844,853,686
33					
34	**Policy Year 2005**		10,087	1,565,827,821	463,147,324
35					
36	**Policy Year 2006**		4,714	756,744,867	219,080,731
37					
38	**Policy Year 2007**		8,436	1,390,886,064	373,627,303
39					
40	**Policy Year 2008 (1/1/2008-5/31/2008)**		4,872	901,155,678	237,967,784
41					
42	**Policy Year 2009 (3/1/2009-12/31/2009)**		2,511	502,533,780	116,791,262
43					
45	**Total All Policy Years**		284,886	$ 40,013,361,886	$ 10,214,253,220

	A	B	C	D	E	F	G	H	I	J	K	L
1						**United Guaranty Residential Insurance Company**						
2						**Premium Settlement**						
3						**Atrium Re #3-44**						
4						**September 30, 2012**						
5												
6												
7		**(1)**	**(2)**					**(6)**	**(7)**		**(9)**	
8		**Gross**	**Ceded**	**(3)**	**(4)**	**(5)=(2)-(3)-(4)**		**Gross**	**Ceded**	**(8)**	**Losses**	**(10)=(7)-(8)-(9)**
9		**Premium**	**Premium**	**Inception**	**Losses**	**Inception**		**Premium**	**Premium**	**Month**	**Paid**	**Month**
10	**Policy Year /**	**Written**	**Written**	**To Date**	**Paid**	**To Date**		**Written**	**Written**	**To Date**	**Month**	**To Date**
11	**Certificate Effective**	**Inception**	**Inception**	**Commission**	**To Date By**	**Net**		**Month**	**Month**	**Commission**	**To Date By**	**Net**
12	**Dates Covered**	**To Date**	**To Date**	**Allowance**	**Reinsurer**	**Settlement**		**To Date**	**To Date**	**Allowance**	**Reinsurer**	**Settlement**
13	**Policy Year 1994**	$ 16,671,799 07	$ 3,098,059.41	$ -	$ -	$ 3,098,059.41		$ -	$ -	$ -	$ -	$ -
14	**(10/1/93-12/31/1994)**											
15												
16	**Policy Year 1995**	24,253,341 99	4,626,148.00	-	-	4,626,148.00		-	-	-	-	-
17	**(1/1/95-12/31/1995)**											
18												
19	**Policy Year 1996**	38,305,947 54	8,213,161.09	-	-	8,213,161.09		-	-	-	-	-
20	**(1/1/1996-3/31/1997)**											
21												
22	**Policy Year 1997**	36,243,266 58	15,374,957.73	2,790,305 57	-	12,584,652.16		-	-	-	-	-
23	**(4/1/1997 - 12/31/1997)**											
24												
25	**Policy Year 1998**	100,610,521 21	45,272,300 96	8,601,491 87	-	36,670,809.09		-	-	-	-	-
26	**(1/1/1998 - 12/31/1998)**											
27												
28	**Policy Year 1999**	113,586,166.75	51,113,775 04	9,711,617 25	-	41,402,157.79		-	-	-	-	-
29	**(1/1/1999 - 12/31/1999)**											
30												
31	**Policy Year 2000**	64,000,993.76	28,800,447.19	3,196,849 64	-	25,603,597.55		-	-	-	-	-
32	**(1/1/2000 - 12/31/2000)**											
33												
34	**Policy Year 2001**	64,322,803.44	28,945,261.55	3,212,924 03	-	25,732,337.52		-	-	-	-	-
35	**(1/1/2001 - 12/31/2001)**											
36												
37	**Policy Year 2002**	61,444,639 25	27,650,087.66	3,069,159.73	-	24,580,927.93		38,577.43	17,359.84	1,926 94	-	15,432.90
38	**(1/1/2002 - 12/31/2002)**											
39												
40	**Policy Year 2003**	50,622,854 67	22,780,284.60	2,528,611 59	-	20,251,673.01		146,091.98	65,741.39	7,297 29	-	58,444.10
41	**(1/1/2003 - 12/31/2003)**											
42												
43	**Policy Year 2004**	95,963,075.73	43,183,384.08	4,793,355 63	16,110,967.00	22,279,061.45		412,059.58	185,426.81	20,582 37	586,140.00	(421,295.56)
44	**(1/1/2004 - 12/31/2004)**											
45												
46	**Policy Year 2005**	58,940,755 56	26,523,340.00	2,944,090.74	33,673,969.00	(10,094,719.74)		366,703.05	165,016.37	18,316 82	755,356.00	(608,656.45)
47	**(1/1/2005 - 12/31/2005)**											
48												
49	**Policy Year 2006**	26,919,613 23	12,113,825.95	1,344,634 68	21,908,073.00	(11,138,881.73)		149,126.49	67,106.92	7,448 87	(26,698.00)	86,356.05
50	**(1/1/2006 - 12/31/2006)**											
51												
52	**Policy Year 2007**	41,725,866 08	18,776,639.74	2,084,207 01	37,362,730.00	(20,670,297.27)		421,711.16	189,770.03	21,064.47	(39,453.00)	208,158.56
53	**(1/1/2007 - 12/31/2007)**											
54												
55	**Policy Year 2008**	22,412,018.77	10,085,408.45	1,119,480 34	8,929,995.00	35,933.11		298,577.62	134,359.93	14,913 95	293,404.00	(173,958.02)
56	**(1/1/2008 - 5/31/2008)**											
57												
58	**Policy Year 2009**	8,167,988 09	2,041,997.02	-	-	2,041,997.02		155,874.02	38,968.50	-	-	38,968.50
59	**(3/1/2009 - 12/31/2009)**											
60												
61	**Total All Policy Years**	$ 824,191,651.72	$ 348,599,078.47	$ 45,396,728 08	$ 117,985,734.00	$ 185,216,616.39		$ 1,988,721.33	$ 863,749.79	$ 91,550.71	$ 1,568,749.00	$ (796,549.92)
62												
63	**Notes**											$185,216,616.39
64	**Premiums ceded on the following basis**											
65	**Policy Year 1-3 1996 premium at 10%, 1997 premium at 19.1%, thereafter 25%**											
66	**Policy Year 4-6 1997 premium at 19.1%, thereafter 45% with 19% ceding commission allowance**											
67	**Policy Year 2000- 2008 2000 premium at 45% with 11.1% ceding commission allowance**											
68	**Policy Year 2009 premium at 25% with 0% ceding commission allowance**											

	A	B	C	D	E	F	G	H	I	J
1	United Guaranty Residential Insurance Company									
2	Earned Premium									
3	Atrium Re # 3-44									
4	September 30, 2012									
5										
6										
7		(1)					(5)			
8		Ceded	(2)	(3)	(4)=(1)+(2)-(3)		Ceded	(6)	(7)	(8)=(5)+(6)-(7)
9		Premium	Beginning	Ending	Inception		Premium	Beginning	Ending	Month
10	Policy Year /	Written	Unearned	Unearned	To Date		Written	Unearned	Unearned	To Date
11	Certificate Effective	Inception	Premium	Premium	Earned		Quarter	Premium	Premium	Earned
12	Dates Covered	To Date	10/1/1993	9/30/2012	Premium		To Date	8/31/2012	9/30/2012	Premium
13	**Policy Year 1994**	$ 3,098,059.41	$ -	$ -	$ 3,098,059.41		$ -	$ -	$ -	$ -
14	**(10/1/93-12/31/1994)**									
15										
16	**Policy Year 1995**	4,626,148.00	-	-	4,626,148.00		-	$ -	-	-
17	**(1/1/95-12/31/1995)**									
18										
19	**Policy Year 1996**	8,213,161.09	-	-	8,213,161.09		-	$ -	-	-
20	**(1/1/1996-3/31/1997)**									
21										
22	**Policy Year 1997**	15,374,957.73	-	-	15,374,957.73		-	$ -	-	-
23	**(4/1/1997 - 12/31/1997)**									
24										
25	**Policy Year 1998**	45,272,300.96	-	-	45,272,300.96		-	$ -	-	-
26	**(1/1/1998 - 12/31/1998)**									
27										
28	**Policy Year 1999**	51,113,775.04	-	-	51,113,775.04		0.00	$ -	-	-
29	**(1/1/1999 - 12/31/1999)**									
30										
31	**Policy Year 2000**	28,800,447.19	-	-	28,800,447.19		0.00	$ -	-	-
32	**(1/1/2000 - 12/31/2000)**									
33										
34	**Policy Year 2001**	28,945,261.55	-	-	28,945,261.55		0.00	$ -	-	-
35	**(1/1/2001 - 12/31/2001)**									
36										
37	**Policy Year 2002**	27,650,087.66	-	265 02	27,649,822.64		17,359.84	$ 526.53	265.02	17,621.35
38	**(1/1/2002 - 12/31/2002)**									
39										
40	**Policy Year 2003**	22,780,284.60	-	4,499.82	22,775,784.78		65,741.39	$ 4,071.88	4,499.82	65,313.45
41	**(1/1/2003 - 12/31/2003)**									
42										
43	**Policy Year 2004**	43,183,384.08	-	11,118.69	43,172,265.39		185,426.81	$ 11,666.03	11,118.69	185,974.15
44	**(1/1/2004 - 12/31/2004)**									
45										
46	**Policy Year 2005**	26,523,340.00	-	15,775.77	26,507,564.23		165,016.37	$ 14,952.90	15,775.77	164,193.50
47	**(1/1/2005 - 12/31/2005)**									
48										
49	**Policy Year 2006**	12,113,825.95	-	10,420.53	12,103,405.42		67,106.92	$ 9,689.13	10,420.53	66,375.52
50	**(1/1/2006 - 12/31/2006)**									
51										
52	**Policy Year 2007**	18,776,639.74	-	20,721.76	18,755,917.98		189,770.03	$ 21,582.23	20,721.76	190,630.50
53	**(1/1/2007 - 12/31/2007)**									
54										
55	**Policy Year 2008**	10,085,408.45	-	3,782.04	10,081,626.41		134,359.93	$ 3,872.24	3,782.04	134,450.13
56	**(1/1/2008 - 5/31/2008)**									
57										
58	**Policy Year 2009**	2,041,997.02	-	12,203.91	2,029,793.11		38,968.50	$ 12,522.65	12,203.91	39,287.24
59	**(3/1/2009 - 12/31/2009)**									
60										
61	**Total All Policy Years**	$ 348,599,078.47	$ -	$ 78,787.54	$ 348,520,290 93		$ 863,749.79	$ 78,883.59	$ 78,787.54	$ 863,845.84

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1								United Guaranty Residential Insurance Company							
2								Contingency Reserve Calculation							
3								Atrium Re #3-44							
4								September 30, 2012							
5															
6															
7									Year Earned						
8	**Earned Premium**			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
9	**Policy Year 1994**			$ 216,043.58	$ 629,077 60	$ 559,792.63	$ 562,712.45	$ 438,503.36	$ 317,439 67	$ 214,766 27	$ 121,776.43	$ 36,599 91	$ 1,347 51	$ -	$ -
10	**Policy Year 1995**			437,211.16	884,715 00	1,003,012.88	701,344.12	612,095.99	407,989.05	279,609.41	169,287.93	77,587 63	53,214.46	80 37	-
11	**Policy Year 1996**			339,969.54	1,001,495 52	1,604,006.97	2,068,794.91	1,403,382.85	786,420 82	502,398 39	241,881.16	127,221 28	99,318 81	36,737 91	1,532.93
12	**Policy Year 1997**				559,027 84	3,513,935.60	3,772,467.42	2,652,349.84	2,164,384 82	1,368,372 30	653,303.15	304,924 28	211,081 23	117,116 63	57,994.62
13	**Policy Year 1998**					1,598,397.15	10,629,028.44	10,609,237.42	8,705,988.40	6,294,548 98	3,400,411.38	1,704,417 61	1,169,366 50	596,828.48	386,987.10
14	**Policy Year 1999**						3,516,027.17	14,227,215.31	13,252,170 66	9,328,104 66	4,607,628.77	2,481,276 80	1,582,328 60	855,494 32	615,914.59
15	**Policy Year 2000**							2,772,619.13	11,558,691.86	7,775,280.11	3,110,006.37	1,344,063 88	831,459.43	442,957.75	344,591.89
16	**Policy Year 2001**								2,409,440 09	10,016,384.11	6,775,008.40	3,445,610 81	2,204,947.46	1,180,606 63	926,219.48
17	**Policy Year 2002**									1,670,277 95	7,659,166.53	5,921,479 91	4,311,613 84	2,199,464 95	1,688,878.52
18	**Policy Year 2003**										1,000,980.29	5,120,207 88	5,452,813 88	2,847,111 23	2,187,451.92
19	**Policy Year 2004**											1,935,812 23	11,673,618 21	7,365,915 31	5,689,025.08
20	**Policy Year 2005**												2,392,431 52	5,475,581 24	4,570,105.51
21	**Policy Year 2006**													1,272,584.48	2,818,570.63
22	**Policy Year 2007**														1,320,056.75
23	**Policy Year 2008**														
24	**Policy Year 2009**														
26	**Total Earned Premium**			$ 993 224.28	$ 3 074 315 96	$ 8 279 145.23	$ 21 250 374.51	$ 32 715 403.90	$ 39 602 525 37	$ 37 449 742.18	$ 27 739 450.41	$ 22 499 202 22	$ 29 983 541.45	$ 22 390 479.30	$ 20 607 329.02
27															
28															
29	**Contingency Reserves**			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
30	**Beginning Balance**			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,356,751.10	$ 13,606,352 22	$ 28,598,122 94	$ 39,793,362.58
32	**Additions**														
33	**Policy Year 1994**			$ 108,021.79	$ 314,538 80	$ 279,896.31	$ 281,356.23	$ 219,251.68	$ 158,719 84	$ 107,383.13	60,888.22	$ 18,299 95	$ 673.76	$ -	$ -
34	**Policy Year 1995**			218,605.58	442,357 50	501,506.44	350,672.06	306,048.00	203,994 53	139,804.70	84,643.96	38,793 82	26,607 23	40.18	-
35	**Policy Year 1996**			169,984.77	500,747.76	802,003.49	1,034,397.45	701,691.43	393,210.41	251,199.19	120,940.58	63,610 64	49,659.41	18,368 95	766.47
36	**Policy Year 1997**				279,513 92	1,756,967.80	1,886,233.71	1,326,174.92	1,082,192.41	684,186.15	326,651.58	152,462.14	105,540 61	58,558 32	28,997.31
37	**Policy Year 1998**					799,198.58	5,314,514.22	5,304,618.71	4,352,994 20	3,147,274.49	1,700,205.69	852,208 80	584,683 25	298,414 24	193,493.55
38	**Policy Year 1999**						1,758,013.59	7,113,607.66	6,626,085 33	4,664,052 32	2,303,814.39	1,240,638.40	791,164 30	427,747.16	307,957.29
39	**Policy Year 2000**							1,386,309.57	5,779,345 93	3,887,640 05	1,555,003.19	672,031 94	415,729.71	221,478 88	172,295.94
40	**Policy Year 2001**								1,204,720 05	5,008,192 05	3,387,504.20	1,722,805.41	1,102,473.73	590,303 31	463,109.74
41	**Policy Year 2002**								-	835,138 98	3,829,583.26	2,960,739 96	2,155,806 92	1,099,732.47	844,439.26
42	**Policy Year 2003**										500,490.15	2,560,103 94	2,726,406 94	1,423,555 61	1,093,725.96
43	**Policy Year 2004**											967,906.12	5,836,809.10	3,682,957 66	2,844,512.54
44	**Policy Year 2005**												1,196,215.76	2,737,790 62	2,285,052.76
45	**Policy Year 2006**													636,292.24	1,409,285.32
46	**Policy Year 2007**														660,028.38
47	**Policy Year 2008**														
48	**Policy Year 2009**														
50	**Total Additions**			$ 496,612.14	$ 1,537,157 98	$ 4,139,572.62	$ 10,625,187.26	$ 16,357,701.97	$ 19,801,262.70	$ 18,724,871 06	$ 13,869,725.22	$ 11,249,601.12	$ 14,991,770.72	$ 11,195,239 64	$ 10,303,664.52
52	**Reversals**														
53	**Policy Year 1994**			(108,021.79)	(314,538 80)	(279,896.31)	(281,356.23)	(219,251.68)	(158,719 84)	(107,383.13)	(60,888.22)				
54	**Policy Year 1995**			(218,605.58)	(442,357 50)	(501,506.44)	(350,672.06)	(306,048.00)	(203,994 53)	(139,804.70)	(84,643.96)				
55	**Policy Year 1996**			(169,984.77)	(500,747.76)	(802,003.49)	(1,034,397.45)	(701,691.43)	(393,210.41)	(251,199.19)	(120,940.58)				
56	**Policy Year 1997**				(216,629 39)	(1,756,967.80)	(1,886,233.71)	(1,326,174.92)	(1,082,192.41)	(684,186.15)	(326,651.58)				
57	**Policy Year 1998**				(62,884 53)	(799,198.58)	(5,314,514.22)	(5,304,618.71)	(4,352,994 20)	(3,147,274.49)	(1,700,205.69)				
58	**Policy Year 1999**						(1,758,013.59)	(7,113,607.66)	(6,626,085 33)	(4,664,052 32)	(2,303,814.39)				
59	**Policy Year 2000**							(1,386,309.57)	(5,779,345 93)	(3,887,640 05)	(1,555,003.19)				
60	**Policy Year 2001**								(1,204,720 05)	(5,008,192 05)	(3,387,504.20)				
61	**Policy Year 2002**									(835,138 98)	(1,973,322.31)				
62	**Policy Year 2003**														
63															
65	**Total Reversals**			$ (496,612.14)	$ (1,537,157 98)	$ (4,139,572.62)	$ (10,625,187.26)	$ (16,357,701.97)	$ (19,801,262.70)	$ (18,724,871 06)	$ (11,512,974.12)	$ -	$ -	$ -	$ -
67	**Ending Balance**			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,356,751.10	$ 13,606,352 22	$ 28,598,122 94	$ 39,793,362.58	$ 50,097,027.10
68															
69	** Reduced by $36,200,820 in September 2009 due to excess loss.														

	P	Q	R	S	T	U	V	W
1								
2								
3								
4								
5								
6								
7								
8	**2008**	**2009**	**2010**	**2011**	**2012**		**Total**	
9	$ -	$ -	$ -	$ -	$ -		$ 3,098,059.41	
10	-	-	-	-	-		4,626,148.00	
11	-	-	-	-	-		8,213,161.09	
12	-	-	-	-	-		15,374,957.73	
13	189,020 96	158 68	-	(2,283.12)	(9,807 02)		45,272,300.96	
14	458,277 68	189,336.48	-	-	-		51,113,775.04	
15	272,387.44	227,919 90	120,471.18	(1.75)	-		28,800,447.19	
16	727,705 95	596,372 03	456,469.62	206,522.33	(25 36)		28,945,261.55	
17	1,319,600 09	1,075,267 32	836,231.37	668,238.23	299,603 93		27,649,822.64	
18	1,761,080.46	1,494,572 96	1,243,806.43	1,036,784.78	630,974 95		22,775,784.78	
19	4,627,940 91	3,942,054.44	3,349,544.54	2,792,104.19	1,796,250.48		43,172,265.39	
20	3,890,426 84	3,371,905.17	2,819,130.71	2,413,777.17	1,574,206 07		26,507,564.23	
21	2,332,867 96	1,974,690 96	1,640,463.11	1,278,875.62	785,352 66		12,103,405.42	
22	4,621,898 97	4,191,478.79	3,632,942.00	3,065,530.17	1,924,011 30		18,755,917.98	
23	1,941,982.76	2,570,248.16	2,304,159.58	1,973,674.70	1,291,561 21		10,081,626.41	
24		266,854.78	724,111.79	640,734.84	398,091.70		2,029,793.11	
25								
26	$ 22 143 190 02	$ 19 900 859 67	$ 17 127 330.33	$ 14 073 957.16	$ 8 690 219 92		$ 348 520 290.93	$ -
27								
28								
29	**2008**	**2009**	**2010**	**2011**	**2012**		**Total**	
30	$ 50,097,027.10	$ 61,168,622.11	$ 71,119,051.94	$ 79,682,717.11	$ 86,719,695.70			
31								
32								
33	$ -	$ -	$ -	$ -	$ -		$ 1,549,029.71	$ 18,973.71
34	-	-	-	-	-		2,313,074.00	65,441.23
35	-	-	-	-	-		4,106,580.55	132,405.47
36	-	-	-	-	-		7,687,478.87	408,442.91
37	94,510.48	79 34	-	(1,141.56)	(4,903 51)		22,636,150.48	1,954,460.06
38	229,138 84	94,668 24	-	-	-		25,556,887.52	3,091,314.23
39	136,193.72	113,959 95	60,235.59	(0.87)	-		14,400,223.60	1,791,924.86
40	363,852 98	298,186 01	228,234.81	103,261.17	(12 68)		14,472,630.78	4,872,214.48
41	659,800 05	537,633 66	418,115.68	334,119.12	149,801 96		13,824,911.32	11,016,450.03
42	880,540 23	747,286.48	621,903.22	518,392.39	315,487.47		11,387,892.39	11,387,892.39
43	2,313,970.45	1,971,027 22	1,674,772.27	1,396,052.10	898,125 24		21,586,132.70	21,586,132.70
44	1,945,213.42	1,685,952 58	1,409,565.36	1,206,888.58	787,103 04		13,253,782.12	13,253,782.12
45	1,166,433 98	987,345.48	820,231.55	639,437.81	392,676 33		6,051,702.71	6,051,702.71
46	2,310,949.48	2,095,739.40	1,816,471.00	1,532,765.08	962,005 65		9,377,958.99	9,377,958.99
47	970,991 38	1,285,124 08	1,152,079.79	986,837.35	645,780 61		5,040,813.21	5,040,813.21
48	-	133,427 39	362,055.90	320,367.42	199,045 85		1,014,896.56	1,014,896.56
49								
50	$ 11,071,595 01	$ 9,950,429 83	$ 8,563,665.17	$ 7,036,978.59	$ 4,345,109.96		$ 174,260,145.51	$ 91,064,805.66
51								
52								
53							$ (1,530,056.00)	
54							(2,247,632.77)	
55							(3,974,175.08)	
56							(7,279,035.96)	
57							(20,681,690.42)	
58							(22,465,573.29)	
59							(12,608,298.74)	
60							(9,600,416.30)	
61							(2,808,461.29)	
62							0.00	
63								
64								
65	$ -	$ -	$ -	$ -			$ (83,195,339.85)	
66								
67	$ 61,168,622.11	$ 71,119,051 94	$ 79,682,717.11	$ 86,719,695.70	$ 91,064,805 66		$ 91,064,805.66	
68								
69					-		-	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**United Guaranty Residential Insurance Company**													
2	**Ceded Risk In Force and Loss Experience**													
3	**Atrium Re #3-44**													
4	**September 30, 2012**													
5														
6														
7														
8					**(4)=(1)+(2)+(3)**		**(6)**							
9					**UGI**		**Total Losses**	**(7)**	**(8)**	**(9)**				
10		**(1)**			**Incurred**		**To Be**	**Total**	**Upper**	**Paid Losses**	**(10)**	**(11)**	**(12)**	**(13)**
11		**UGI**	**(2)**	**(3)**	**Losses**	**(5)**	**Incurred**	**Losses**	**Limit**	**Ceded**	**Case**	**IBNR**	**Losses**	**Premiums**
12	**Policy Year /**	**Net Losses**	**UGI Gross**	**UGI**	**Since**	**UGI**	**Before**	**To Be**	**of**	**Inception**	**Loss Reserves**	**Reserves**	**Incurred**	**Earned**
13	**Certificate Effective**	**Paid Since**	**Case Loss**	**IBNR**	**Inception**	**Original**	**Reinsurer**	**Incurred**	**Reinsurer**	**To Date**	**Ceded**	**Ceded**	**To Date By**	**To Date By**
14	**Dates Covered**	**Inception**	**Reserves**	**Reserves**	**Plus Reserves**	**Risk**	**Layer**	**By Reinsurer**	**Layer**	**To Reinsurer**	**To Reinsurer**	**To Reinsurer**	**Reinsurer**	**Reinsurer**
15														
16	**Policy Year 1994**	$ 1,942,263	$ 5,912	$ 296	$ 1,948,471	$ 227,962,492	$ 14,817,562	$ 13,677,750	$ 28,495,312	$ -	$ -	$ -	$ -	$ 3,098,059
17	**(10/1/93-12/31/1994)**													
18														
19	**Policy Year 1995**	1,841,293	-	-	1,841,293	286,058,676	18,593,814	17,163,521	35,757,335	-	-	-	-	4,626,148
20														
21	**Policy Year 1996**	1,911,530	-	-	1,911,530	467,383,501	30,379,928	28,043,010	58,422,938	-	-	-	-	8,213,161
22	**(1/1/1996-3/31/1997)**													
23														
24	**Policy Year 1997**	2,845,777	-	-	2,845,777	479,888,947	19,195,558	47,988,895	67,184,453	-	-	-	-	15,374,958
25	**(4/1/1997-12/31/1997)**													
26														
27	**Policy Year 1998**	5,966,652	91,349	4,567	6,062,568	1,199,138,913	47,965,557	119,913,891	167,879,448	-	-	-	-	45,272,301
28														
29	**Policy Year 1999**	11,214,468	201,385	10,069	11,425,922	1,498,053,602	59,922,144	149,805,360	209,727,504	-	-	-	-	51,113,775
30														
31	**Policy Year 2000**	10,158,903	251,732	12,587	10,423,222	1,294,769,736	51,790,789	129,476,974	181,267,763	-	-	-	-	28,800,447
32														
33	**Policy Year 2001**	9,401,333	786,732	39,337	10,227,402	1,091,927,028	43,677,081	109,192,703	152,869,784	-	-	-	-	28,945,262
34														
35	**Policy Year 2002**	11,958,962	2,558,448	127,922	14,645,332	908,399,576	36,335,983	90,839,958	127,175,941	-	-	-	-	27,649,823
36														
37	**Policy Year 2003**	13,685,192	4,700,037	235,002	18,620,231	505,202,659	20,208,106	50,520,266	70,728,372	-	-	-	-	22,775,785
38														
39	**Policy Year 2004**	49,905,114	11,976,178	598,809	62,480,101	844,853,686	33,794,147	84,485,369	118,279,516	16,110,967	11,976,178	598,809	28,685,954	43,172,265
40														
41	**Policy Year 2005**	52,199,862	14,314,454	715,723	67,230,039	463,147,324	18,525,893	46,314,732	64,840,625	33,673,969	12,640,763	-	46,314,732	26,507,564
42														
43	**Policy Year 2006**	37,837,857	8,392,974	419,649	46,650,480	219,080,731	8,763,229	21,908,073	30,671,302	21,908,073	-	-	21,908,073	12,103,405
44														
45	**Policy Year 2007**	57,223,898	17,444,710	872,236	75,540,844	373,627,303	14,945,092	37,362,730	52,307,822	37,362,730	-	-	37,362,730	18,755,918
46														
47	**Policy Year 2008**	18,448,706	6,742,397	337,120	25,528,223	237,967,784	9,518,711	23,796,779	33,315,490	8,929,995	6,742,397	337,120	16,009,512	10,081,626
48														
49	**Policy Year 2009**	345,706	462,039	23,102	830,847	116,791,262	4,671,650	7,007,476	11,679,126	-	-	-	-	2,029,793
50														
51	**Total All Policy Years**	$ 286,887,516	$ 67,928,347	$ 3,396,419	$ 358,212,282	$ 10,214,253,220	$ 433,105,244	$ 977,497,487	$ 1,410,602,731	$ 117,985,734	$ 31,359,338	$ 935,929	$ 150,281,001	$ 348,520,290
52														
53	**Notes**						**Paid Loss/Original Risk Ratio (1)/(5)**			**Incurred Loss/EP Ratio (12)/(13)**				
54	**Attachment point for Policy Year 1-3 is 6.5%, with an upper limit of 12.5%**						**Policy Year 1**	0.85%		**Policy Year 1**	0 00%			
55	**Attachment point for Policy Year 4 - 15 is 4%, with an upper limit of 14%**						**Policy Year 2**	0.64%		**Policy Year 2**	0 00%	1,568,749 00		
56	**Attachment point for Policy Year 16 forward is 4%, with an upper limit of 10%**						**Policy Year 3**	0.41%		**Policy Year 3**	0 00%			
57							**Policy Year 4**	0.59%		**Policy Year 4**	0 00%			
58	**Gross IBNR**	**5.0%**					**Policy Year 5**	0.50%		**Policy Year 5**	0 00%			
59	**IBNR is 5% as of 12/1/2010**						**Policy Year 6**	0.75%		**Policy Year 6**	0 00%			
60							**Policy Year 7**	0.78%		**Policy Year 7**	0 00%			
61							**Policy Year 8**	0.86%		**Policy Year 8**	0 00%			
62							**Policy Year 9**	1.32%		**Policy Year 9**	0 00%			
63							**Policy Year 10**	2.71%		**Policy Year 10**	0 00%			
64							**Policy Year 11**	5.91%		**Policy Year 11**	66.45%			
65							**Policy Year 12**	11.27%		**Policy Year 12**	174.72%			
66							**Policy Year 13**	17.27%		**Policy Year 13**	181.01%			
67							**Policy Year 14**	15.32%		**Policy Year 14**	199.21%			
68							**Policy Year 15**	7.75%		**Policy Year 15**	158.80%			
69							**Policy Year 16**	0.30%		**Policy Year 16**	0 00%			

Filename "0912 Sep Settlement" - Worksheet "New Trust Requirements"

	A	B	C	D	E	F	G	H	I
1	**United Guaranty Residential Insurance Company**								
2	**Original Accumulated Balances**								
3	**Atrium Re #3-44**								
4	**September 30, 2012**								
5									
6	**Trust Account Calculation - 2nd Quarter 2007**								
7	**Assuming Capital Release for 2001 and Prior**								
8	**and Contingency Reserve Release on a Calendar Year Basis**								Capital
9			(cont. resvs are required for 2002 and after, but not used in this calc.)						Required
10		Gross	Reinsurer	2002 & after	Contingency	Unearned	Loss	Captial	For Release
11		Original Risk	Layer	@ 20%	Reserve	Premium	Reserves	Required	of Dividends
12	**1993-1994**	227,962,492	13,677,750		18,974	-	-	1,367,775	19,353
13	**1995**	286,058,676	17,163,521		65,441	-	-	1,716,352	66,750
14	**1996**	467,383,501	28,043,010		132,405	-	-	2,804,301	135,054
15	**1997**	479,888,947	47,988,895		408,443	-	-	4,798,890	416,612
16	**1998**	1,199,138,913	119,913,891		1,954,460	-	-	11,991,389	1,993,549
17	**1999**	1,498,053,602	149,805,360		3,091,314	-	-	14,980,536	3,153,141
18	**2000**	1,294,769,736	129,476,974		1,791,925	-	-	12,947,697	1,827,763
19	**2001**	1,091,927,028	109,192,703		4,872,214	-	-	10,919,270	4,969,659
20	**2002**	908,399,576	90,839,958	18,167,992	11,016,450	265	-	9,084,261	18,531,622
21	**2003**	505,202,659	50,520,266	10,104,053	11,387,892	4,500	-	5,056,526	10,310,724
22	**2004**	844,853,686	84,485,369	16,897,074	21,586,133	11,119	12,574,987	21,034,643	30,072,843
23	**2005**	463,147,324	46,314,732	9,262,946	13,253,782	15,776	12,640,763	17,288,012	22,357,875
24	**2006**	219,080,731	21,908,073	4,381,615	6,051,703	10,421	-	2,201,228	4,479,876
25	**2007**	373,627,303	37,362,730	7,472,546	9,377,959	20,722	-	3,756,995	7,643,133
26	**2008**	237,967,784	23,796,779	4,759,356	5,040,813	3,782	7,079,517	9,462,977	12,079,508
27	**2009**	116,791,262	7,007,476	1,401,495	1,014,897	12,204	-	712,952	1,441,973
28									
29		10,214,253,220	977,497,487	72,447,077	91,064,806	78,788	32,295,267	130,123,803	119,499,434
30					-		-		
31		**Release of Funds**							
32									
33		Policy Years 2002 & Later: Greater of:							
34		a)20% of Reinsurance Layer 2002 & later		72,447,077	78,729,629				
35		b) Contingency Reserves		78,729,629					
36									
37		Contingency Reserve 2001 & prior			12,335,177				
38									
39		Unearned Premium			78,788				
40		Reinsurer's Loss Reserves			32,295,267				
41									
42					123,438,860				
43					x 102%				
44		Total Requirement			125,907,637				
45									
46		**Balance @ 9/30/2012**	126,061,022						
47									
48									
49		Trust Excess/(Deficient)			153,384				

United Guaranty Residential Insurance Company

Trust Deposits

Atrium Re #3-44

September 30, 2012

	A	B	D	E	F	G	H	I	J	K	L	M	N	O	P
8						Dividend/		Gain					Cash Basis		
9			Premium	Losses	Capital	Interest	Accrued	(Loss)	Fee	FIT & Operating	Excess	Trust	Ending	Market	Book
10	Month	Year	Deposit	Paid	Deposit	Income (1)	Interest	on Sales	Reimburse	Expense	Funds	Fees	Balance	Value	
11	12	97			$ 460,000.00								$ 460,000.00	$ 460,000.00	
12	2	98	$ 1,501,211.83										1,961,211.83	1,961,211.83	
13	3	98											1,961,211.83	1,961,211.83	
14	5	98	1,722,319.68						$ 250.00			$ (250.00)	3,683,531.51	3,717,269.44	
15	6	98											3,683,531.51	3,733,360.69	
16	7	98				$ 12,133.79							3,695,665.30	3,749,544.27	
17	8	98	1,926,175.40			35,770.83							5,657,611.53	5,696,571.90	
18	9	98											5,657,611.53	5,728,802.11	
19	10	98				1,034.32							5,658,645.85	5,752,604.49	
20	11	98	2,080,027.00			45,045.98							7,783,718.83	7,888,702.98	
21	12	98	1,256,738.00										9,040,456.83	9,145,440.98	
22	1	99				11,747.15							9,052,203.98	9,177,334.81	
23	2	99	3,763,661.50			88,402.89							12,904,268.37	12,969,386.93	
24	3	99											12,904,268.37	13,025,937.98	
25	4	99				975.39			4,316.97			(4,316.97)	12,905,243.76	13,077,438.43	
26	5	1999	3,845,026.75			85,235.84							16,835,506.35	16,972,389.87	
27	6	1999				1,187.30							16,836,693.65	17,037,311.97	
28	7	1999				39,789.75			2,184.25			(2,184.25)	16,876,483.40	17,109,407.25	
29	8	1999	4,949,562.93			162,873.58							21,988,919.91	21,988,919.91	
30	9	1999											21,988,919.91	22,229,067.75	
31	10	1999				1,124.21							21,990,044.12	22,229,068.75	
32	11	1999	4,101,150.71			179,689.11							26,270,883.94	26,501,998.72	
33	12	1999				32,041.27							26,302,925.21	26,626,187.61	
34	1	2000				12,726.31							26,315,651.52	26,732,224.88	
35	2	2000	5,443,649.73			306,499.85							32,065,801.10	32,303,706.98	
36	3	2000											32,065,801.10	32,470,424.76	
37	4	2000				1,558.61							32,067,359.71	32,622,197.85	
38	5	2000	6,872,198.34		17,000,000.00	316,496.50			9,895.79			(9,895.79)	56,256,054.55	56,766,505.16	
39	6	2000				36,702.17							56,292,756.72	57,077,769.75	
40	7	2000				16,487.54							56,309,244.26	57,325,861.11	
41	8	2000	7,045,461.77			537,710.67			4,652.77			(4,652.77)	63,892,416.70	64,683,277.22	
42	9	2000											63,892,416.70	65,041,083.80	
43	10	2000				1,844.77							63,894,261.47	65,362,102.29	
44	11	2000	7,586,745.53			1,126,671.08							72,607,678.08	73,334,796.89	
45	12	2000				43,484.69			16,435.99			(16,435.99)	72,651,162.77	73,790,412.25	
46	1	2001				18,342.09							72,669,504.86	74,257,440.98	
47	2	2001	7,743,210.05			799,827.38							81,212,542.29	82,341,085.14	
48	3	2001							9,857.18			(9,857.18)	81,212,542.29	82,761,104.08	
49	4	2001			11,510,000.00	2,021.17							92,724,563.46	94,633,612.30	
50	5	2001	8,006,032.89			1,412,807.00							102,143,403.35	103,019,685.17	
51	6	2001				41,577.72							102,184,981.07	103,320,458.64	
52	7	2001				15,430.25			12,379.20			(12,379.20)	102,200,411.32	103,644,066.33	
53	8	2001	9,632,119.43			833,401.49							112,665,932.24	113,669,015.27	
54	9	2001							13,555.51			(13,555.51)	112,665,932.24	114,153,490.62	
55	10	2001				394,885.87							113,060,818.11	114,451,433.63	
56	11	2001	8,460,973.55			817,401.36							122,339,193.02	123,160,008.01	
57	12	2001				26,001.66			14,781.43			(14,781.43)	122,365,194.68	123,346,653.73	
58	1	2002				11,004.17							122,376,198.85	123,515,369.72	
59	2	2002	8,503,746.80			767,080.73							131,647,026.38	132,191,199.49	
60	3	2002							16,014.42			(16,014.42)	131,647,026.38	132,368,827.86	
61	4	2002				234,029.53							131,881,055.91	132,601,022.60	
62	5	2002	8,334,872.14			489,408.26							140,705,336.31	141,168,658.81	
63	6	2002				13,607.43							140,718,943.74	141,399,751.43	
64	7	2002				5,072.24							140,724,015.98	141,618,373.67	
65	8	2002	7,617,118.85			480,512.49							148,821,647.32	149,398,716.87	
66	9	2002											148,821,647.32	149,655,212.31	
67	10	2002				211,653.66							149,033,300.98	149,880,138.13	
68	11	2002	7,547,996.06			594,832.86							157,176,129.90	157,656,605.66	
69	12	2002			15,500,000.00	49,515.91		0.87		(32,800,000.00)			139,925,646.68	140,536,007.18	
70	1	2003				5,505.63							139,931,152.31	140,686,952.78	
71	2	2003	7,152,510.46			481,541.92							147,565,204.69	147,954,467.59	
72	3	2003							18,185.87			(18,185.87)	147,565,204.69	148,131,277.14	
73	4	2003				165,890.74							147,731,095.43	148,266,740.47	
74	5	2003	6,616,135.38			268,537.87							154,615,768.68	155,034,431.22	
75	6	2003				103,417.90			19,033.34			(19,033.34)	154,719,186.58	155,231,546.34	
76	7	2003				3,871.37							154,723,057.95	155,336,654.60	
77	8	2003	5,731,229.15			409,863.90							160,864,151.00	161,186,843.78	
78	9	2003							19,967.08			(19,967.08)	160,864,151.00	161,359,756.11	
79	10	2003				122,481.60							160,986,632.60	161,484,799.67	

United Guaranty Residential Insurance Company

Trust Deposits

Atrium Re #3-44

September 30, 2012

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
8							Dividend/		Gain					Cash Basis			
9				Premium	Losses	Capital	Interest	Accrued	(Loss)	Fee	FIT & Operating	Excess	Trust	Ending	Market	Book	
10	Month	Year		Deposit	Paid	Deposit	Income (1)	Interest	on Sales	Reimburse	Expense	Funds	Fees	Balance	Value		
80	11	2003		4,329,811.04			250,363.91							165,566,807.55	165,953,359.54		
81	12	2003					118,503.19			20,635.60	(10,500,000.00)		(20,635.60)	155,185,310.74	155,619,096.98		
82	1	2004					3,067.15							155,188,377.89	155,738,425.94		
83	2	2004		4,154,648.16			339,056.21							159,682,082.26	160,002,631.07		
84	3	2004								20,042.30			(20,042.30)	159,682,082.26	160,148,385.75		
85	4	2004					108,047.41							159,790,129.67	160,268,233.78		
86	5	2004		6,036,053.85			258,188.05							166,084,371.57	166,397,169.48		
87	6	2004					84,623.30							166,168,994.87	166,500,952.05		
88	7	2004					3,033.90							166,172,028.77	166,705,724.10		
89	8	2004		4,601,677.70			350,027.06			20,408.53			(20,408.53)	171,123,733.53	171,522,958.17		
90	9	2004								21,363.22			(21,363.22)	171,123,733.53	171,722,087.23		
91	10	2004					113,359.84							171,237,093.37	171,946,562.07		
92	11	2004		4,878,989.34			341,965.17							176,458,047.88	177,045,711.27		
93	12	2004					145,160.35							176,603,208.23	177,389,051.50		
94	1	2005					5,306.31			22,043.32			(22,043.32)	176,608,514.54	177,683,492.60		
95	2	2005		5,248,652.77			659,036.26				(6,972,000.00)			175,544,203.57	176,221,900.27		
96	3	2005												175,544,203.57	176,625,400.87		
97	4	2005	(2)				207,015.68		0.29					175,751,219.54	177,050,471.20		
98	5	2005		5,458,126.89			679,072.25			22,760.44			(22,760.44)	181,888,418.68	183,009,760.39		
99	6	2005				2,309,849.00	212,964.27			22,681.31		(2,309,849.00)	(22,681.31)	182,101,382.95	183,397,094.79		
100	7	2005					8,442.26							182,109,825.21	183,814,202.98		
101	8	2005		5,362,675.88			1,040,927.77							188,513,428.86	189,763,857.11		
102	9	2005					102,246.14			23,476.78		(7,000,000.00)	(23,476.78)	181,615,675.00	183,337,722.34		
103	10	2005					215,925.25							181,831,600.25	183,786,556.35		
104	11	2005		5,244,059.48			1,125,219.46					(4,000,000.00)		184,200,879.19	185,675,813.00		
105	12	2005					274,489.10			23,498.32			(23,498.32)	184,475,368.29	186,335,125.75		
106	1	2006					11,177.83							184,486,546.12	186,867,474.15		
107	2	2006		5,100,571.50			1,461,319.21							191,048,436.83	192,588,102.87		
108	3	2006					101,185.30					(5,800,000.00)		185,349,622.13	187,551,640.21		
109	4	2006					168,070.68							185,517,692.81	188,189,318.15		
110	5	2006		5,104,865.91			1,566,568.02							192,189,126.74	194,082,544.67		
111	6	2006					381,742.30			24,048.67			(24,048.67)	192,570,869.04	194,872,393.35		
112	7	2006					16,549.87			-			-	192,587,418.91	195,635,508.29		
113	8	2006		5,100,158.07			1,948,463.38			-			-	199,636,040.36	201,645,172.05		
114	9	2006					-			24,979.44			(24,979.44)	199,636,040.36	202,537,755.03		
115	10	2006					207,884.16							199,843,924.52	203,292,876.43		
116	11	2006		4,855,510.25			2,001,998.43					(11,000,000.00)		195,701,433.20	197,983,416.52		
117	12	2006					468,536.84							196,169,970.04	198,916,492.95		
118	1	2007					326,178.39					(14,000,000.00)		182,496,148.43	185,642,562.95		
119	2	2007		4,716,320.60			1,995,903.18							189,208,372.21	191,106,354.04		
120	3	2007					862,887.83					(52,563,805.00)		137,507,455.04	139,187,419.94		
121	4	2007					116,343.84							137,623,798.88	139,771,252.61		
122	5	2007		4,550,139.55			740,502.54							142,914,440.97	144,959,184.46		
123	6	2007					471,679.72							143,386,120.69	145,551,680.87		
124	7	2007					20,122.58			18,021.41			(18,021.41)	143,406,243.27	146,099,217.98		
125	8	2007		4,464,710.18			2,169,053.80							150,040,007.25	151,682,738.75		
126	9	2007								18,762.40			(18,762.40)	150,040,007.25	152,219,296.00		
127	10	2007					120,121.91							150,160,129.16	152,712,905.84		
128	11	2007		4,482,081.62			841,278.15							155,483,488.93	157,961,858.19		
129	12	2007					470,923.69			19,564.11			(19,564.11)	155,954,412.62	158,373,630.26		
130	1	2008					275,208.39							156,229,621.01	159,074,388.81		
131	2	2008		4,704,078.95			2,008,635.28							162,942,335.24	164,177,849.94		
132	3	2008								20,409.30			(20,409.30)	162,942,335.24	164,619,312.11	162,971,454.00	(29,118.76)
133	4	2008					101,409.11							163,043,744.35	164,801,279.86		
134	5	2008		4,749,771.54			744,647.48							168,538,163.37	169,618,968.49		
135	6	2008					325,300.80			21,075.16			(21,075.16)	168,863,464.17	169,899,603.45		
136	7	2008					139,187.37							169,002,651.54	170,246,073.08		
137	8	2008		5,034,127.06			917,005.53							174,953,784.13	175,588,640.36		
138	9	2008								21,805.76			(21,805.70)	174,953,784.19	176,207,819.07	174,982,903.00	(29,118.81)
139	10	2008					38,818.44							174,992,602.63	176,517,652.07		
140	11	2008		4,992,655.20			400,915.50							180,386,173.33	181,834,554.45	180,415,292.71	(29,119.38)
141	12	2008					218,216.99			22,539.71			(22,539.71)	180,604,390.32	181,916,823.61	180,633,509.70	(29,119.38)
142	1	2009					113,942.58							180,718,332.90	181,891,536.77	180,746,453.04	(28,120.14)
143	2	2009		4,815,797.82			897,554.61							186,431,685.33	186,749,659.23	186,459,274.01	(27,588.68)
144	3	2009								23,261.44			(23,261.44)	186,431,685.33	186,860,018.53	186,460,804.71	(29,119.38)
145	4	2009					36,775.88							186,468,461.21	186,944,139.97	186,497,580.59	(29,119.38)
146	5	2009		6,180,917.31	(728,118.00)		239,548.34							192,160,808.86	192,440,005.86	192,189,928.21	(29,119.35)
147	6	2009		1,493,683.50	(482,500.00)		22,409.08			23,818.02			(23,818.02)	193,194,401.44	193,482,586.26	193,223,520.79	(29,119.35)
148	7	2009		1,477,077.45	(471,498.00)		19,259.05							194,219,239.94	194,533,389.24	194,248,359.29	(29,119.35)

United Guaranty Residential Insurance Company

Trust Deposits

Atrium Re #3-44

September 30, 2012

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
10	Month	Year		Premium Deposit	Losses Paid	Capital Deposit	Dividend/ Interest Income (1)	Accrued Interest	Gain (Loss) on Sales	Fee Reimburse	FIT & Operating Expense	Excess Funds	Trust Fees	Cash Basis Ending Balance	Market Value	Book	
149	8	2009		1,321,443.74	(100,202.00)		199,733.64			(200.00)				195,640,015.32	195,840,091.78	195,669,134.67	(29,119.35)
150	9	2009		1,584,231.68	(18,660.00)		-			200.00				197,205,787.00	197,474,942.21	197,234,906.35	(29,119.35)
151	10	2009		1,436,302.06	(90,802.00)		10,135.63							198,561,422.69	198,852,084.21	198,590,542.04	(29,119.35)
152	11	2009					88,395.94							198,649,818.63	198,884,910.06	198,678,937.98	(29,119.35)
153	12	2009		2,839,174.68	(358,896.00)		32,249.19							201,162,346.50	201,373,123.60	201,191,465.85	(29,119.35)
154	1	2010					16,392.85							201,178,739.35	201,397,132.49	201,207,858.70	(29,119.35)
155	2	2010		2,736,738.03	(484,672.00)		140,545.41							203,571,350.79	203,650,427.09	203,600,473.14	(29,122.35)
156	3	2010		1,257,944.38	(879,454.00)		3,291.56							203,953,132.73	204,038,284.19	203,982,255.08	(29,122.35)
157	4	2010		1,370,566.81	(1,423,046.00)		19,600.12	(186,096.28)						203,734,157.38	203,934,671.65	203,763,279.73	(29,122.35)
158	5	2010		1,337,787.12	(441,723.00)		132,755.57	(315,687.41)	13,438.60					204,460,728.26	204,911,196.98	204,489,850.61	(29,122.35)
159	6	2010		1,315,997.50	(806,635.00)		305,876.30	(51,161.58)						205,224,805.48	206,332,276.57	205,253,927.83	(29,122.35)
160	7	2010	(2)				155,438.90	(106,827.17)	4,590.00					205,278,007.21	206,885,114.76	205,307,129.56	(29,122.35)
161	8	2010		2,593,654.75	(3,762,406.00)		178,965.71	5,161.19	17,460.25					204,310,843.11	206,099,579.79	204,339,965.46	(29,122.35)
162	9	2010		1,245,022.49	(1,363,065.00)		316,947.88	(39,606.56)	(1,710.20)					204,468,431.72	206,471,562.28	204,497,554.07	(29,122.35)
163	10	2010	(3)				230,571.02		5,246.00					204,704,248.74	207,087,306.46	204,733,371.09	(29,122.35)
164	11	2010		2,462,374.35	(10,434,900.00)		437,817.92		36,575.00					197,206,116.01	198,598,517.56	197,235,238.36	(29,122.35)
165	12	2010		1,140,612.70	(10,805,895.00)		548,248.62		1,166.19					188,090,248.52	188,347,625.59	188,119,370.87	(29,122.35)
166	1	2011		1,157,316.66	(4,034,199.00)		179,665.09		(3,647.27)					185,389,384.00	185,695,834.40	185,418,506.35	(29,122.35)
167	2	2011		1,196,616.42	(4,291,950.00)		262,011.81		-					182,556,062.23	182,408,884.52	182,585,184.58	(29,122.35)
168	3	2011		1,117,458.42	(4,728,907.00)		312,148.33		(108,165.93)					179,148,596.05	178,835,712.98	179,177,718.40	(29,122.35)
169	4	2011		1,108,029.41	(5,110,991.00)		321,563.57		(23,817.53)					175,443,380.50	175,783,491.93	175,472,502.85	(29,122.35)
170	5	2011		1,097,828.55	(5,148,539.00)		374,247.60		(24,949.07)					171,741,968.58	172,637,619.93	171,771,090.93	(29,122.35)
171	6	2011		1,064,877.17	(5,008,328.00)		312,980.31		66,117.08					168,177,615.14	168,773,199.24	168,206,737.49	(29,122.35)
172	7	2011		1,039,687.78	(4,505,688.00)		142,662.47		77,651.25					164,931,928.64	165,920,147.23	164,961,050.99	(29,122.35)
173	8	2011		1,033,726.04	(4,383,906.00)		304,280.19		(65,448.06)					161,820,580.81	163,349,819.10	161,849,703.16	(29,122.35)
174	9	2011		1,013,147.14	(3,107,452.00)		326,462.39		(29,284.29)					160,023,454.05	161,266,869.32	160,052,576.40	(29,122.35)
175	10	2011		1,002,110.09	(3,596,467.00)		210,500.69		48,986.49					157,688,584.32	158,804,792.91	157,717,706.67	(29,122.35)
176	11	2011		941,432.36	(5,044,249.00)		141,857.54		119,292.85					153,846,918.07	154,662,235.70	153,876,040.42	(29,122.35)
177	12	2011		984,869.76	(3,712,476.00)		252,485.42		(37,902.48)					151,333,894.77	152,254,617.94	151,363,017.12	(29,122.35)
178	1	2012		959,202.14	(3,802,164.00)		139,756.76		9,183.45					148,639,873.12	149,841,677.72	148,668,995.47	(29,122.35)
179	2	2012		913,350.93	(6,217,528.00)		408,973.90		(41,476.98)					143,703,192.97	144,720,230.06	143,732,315.32	(29,122.35)
180	3	2012		865,815.81	(4,269,877.00)		157,625.47		(10,344.94)					140,446,412.31	141,115,284.84	140,475,534.66	(29,122.35)
181	4	2012		863,316.95	(2,405,376.00)		169,169.36		85,301.48					139,158,824.10	139,989,111.73	139,187,946.45	(29,122.35)
182	5	2012		878,274.47	(2,326,409.00)		175,671.54		(206,965.14)			(6,800,000.00)		130,879,395.97	131,928,421.69	130,937,475.47	(58,079.50)
183	6	2012		867,283.60	(3,054,468.00)		116,625.81		26,724.74					128,835,562.12	129,739,426.30	128,864,519.27	(28,957.15)
184	7	2012		864,543.60	(3,784,357.00)		168,463.36		73,259.54					126,157,471.62	127,254,744.93	126,186,428.77	(28,957.15)
185	8	2012		868,789.05	(2,222,832.00)		209,046.05		(9,415.00)					125,003,059.72	126,085,376.79	125,032,016.87	(28,957.15)
186	9	2012					69,111.16		(4,937.16)					125,067,233.72	126,061,021.56	125,096,190.87	(28,957.15)
188				$ 297,056,562.19	$ (113,408,635.00)	$ 46,779,849.00	$ 49,062,399.25	$ (694,217.81)	$ 16,930.03	$ 596,705.04	$ (50,272,000.00)	$ (103,473,654.00)	$ (596,704.98)	$ 125,067,233.72			

Notes:

(1) Interest reported on a cash basis.

193	(2) Wire withdrawal did not take place until Aug	1,716,497,783.00
194	(3) Wire withdrawal did not take place until Nov	3,465,030.00
195	(4) Excess funds withdrawal made in May 2012	$1,719,962,813.00
198		$1,754,362,069.26

Filename "0912 Sep Settlement" - Worksheet "DelinquentSumm"

	A	B	C	D	E	F	G	H	I	J	K
1			PolicyYr	ResvStatus	ResvStatusDesc	_FREQ_	BaseLoanAmt	OriginalRisk	InsuredAmt	CurrentRisk	ReservesAmt
2	20120930	3-44	1994	3	Foreclosure	1	50,400.00	8,568.00	50,400.00	8,568.00	5,912.00
3	20120930	3-44	1998	3	Foreclosure	2	266,900.00	80,070.00	266,900.00	80,070.00	55,248.00
4	20120930	3-44	1998	4	Claims Received	1	125,350.00	37,605.00	125,350.00	37,605.00	36,101.00
5	20120930	3-44	1999	1	Delinquent	3	307,300.00	92,405.00	307,300.00	92,405.00	24,025.00
6	20120930	3-44	1999	3	Foreclosure	12	1,001,100.00	274,169.00	1,033,429.00	257,044.00	177,360.00
7	20120930	3-44	2000	1	Delinquent	3	338,210.00	75,337.00	338,210.00	75,337.00	19,588.00
8	20120930	3-44	2000	3	Foreclosure	16	1,214,620.00	295,800.00	1,214,620.00	295,800.00	204,100.00
9	20120930	3-44	2000	4	Claims Received	1	116,850.00	29,213.00	116,850.00	29,213.00	28,044.00
10	20120930	3-44	2001	1	Delinquent	7	642,385.00	179,306.00	681,355.00	190,997.00	49,659.00
11	20120930	3-44	2001	2	Pending Foreclosure	2	129,653.00	30,178.00	129,653.00	30,178.00	12,675.00
12	20120930	3-44	2001	3	Foreclosure	41	3,600,773.00	1,046,072.00	3,613,391.00	1,049,857.00	724,398.00
13	20120930	3-44	2002	1	Delinquent	44	4,660,353.05	1,448,593.00	4,660,353.00	1,448,593.00	376,636.00
14	20120930	3-44	2002	2	Pending Foreclosure	9	757,425.00	238,606.00	741,843.00	233,472.00	98,059.00
15	20120930	3-44	2002	3	Foreclosure	76	8,619,568.90	2,652,000.00	8,663,123.00	2,662,983.00	1,837,459.00
16	20120930	3-44	2002	4	Claims Received	7	750,600.30	250,641.00	767,502.00	256,556.00	246,294.00
17	20120930	3-44	2003	1	Delinquent	110	13,099,587.00	4,080,772.00	13,067,721.00	4,072,903.00	1,058,959.00
18	20120930	3-44	2003	2	Pending Foreclosure	9	1,009,990.00	344,463.00	1,032,847.00	352,463.00	148,032.00
19	20120930	3-44	2003	3	Foreclosure	109	14,305,899.75	4,381,714.00	14,519,741.00	4,448,982.00	3,069,800.00
20	20120930	3-44	2003	4	Claims Received	13	1,413,107.00	440,671.00	1,413,711.00	440,882.00	423,246.00
21	20120930	3-44	2004	1	Delinquent	252	29,763,641.34	9,531,738.00	29,750,261.00	9,528,929.00	2,477,537.00
22	20120930	3-44	2004	2	Pending Foreclosure	26	4,247,544.00	1,348,611.00	4,308,130.00	1,365,705.00	573,596.00
23	20120930	3-44	2004	3	Foreclosure	281	36,468,732.50	11,575,583.00	36,913,200.00	11,708,591.00	8,078,945.00
24	20120930	3-44	2004	4	Claims Received	20	2,657,116.50	879,744.00	2,661,719.00	881,355.00	846,100.00
25	20120930	3-44	2005	1	Delinquent	221	30,915,292.72	9,534,735.00	31,099,116.00	9,587,536.00	2,492,771.00
26	20120930	3-44	2005	2	Pending Foreclosure	25	4,019,930.00	1,339,193.00	4,045,625.00	1,347,266.00	565,853.00
27	20120930	3-44	2005	3	Foreclosure	272	45,307,162.82	14,265,548.00	45,599,087.00	14,360,779.00	9,908,956.00
28	20120930	3-44	2005	4	Claims Received	35	4,359,672.00	1,397,637.00	4,374,990.00	1,402,998.00	1,346,874.00
29	20120930	3-44	2006	1	Delinquent	116	18,248,143.00	5,646,159.00	18,475,510.00	5,721,366.00	1,489,232.00
30	20120930	3-44	2006	2	Pending Foreclosure	11	1,972,689.00	559,708.00	1,971,618.00	559,527.00	235,002.00
31	20120930	3-44	2006	3	Foreclosure	163	26,646,289.50	7,727,988.00	26,889,716.00	7,789,795.00	5,374,970.00
32	20120930	3-44	2006	4	Claims Received	29	4,100,899.00	1,338,233.00	4,129,172.00	1,347,681.00	1,293,770.00
33	20120930	3-44	2007	1	Delinquent	260	41,120,694.32	11,060,874.00	41,471,195.00	11,159,242.00	2,901,412.00
34	20120930	3-44	2007	2	Pending Foreclosure	22	3,295,625.00	813,343.00	3,367,768.00	832,518.00	349,659.00
35	20120930	3-44	2007	3	Foreclosure	360	60,746,028.18	15,839,603.00	61,519,437.00	16,050,281.00	11,074,702.00
36	20120930	3-44	2007	4	Claims Received	65	10,999,485.50	3,203,260.00	11,152,752.00	3,248,898.00	3,118,937.00
37	20120930	3-44	2008	1	Delinquent	111	18,818,326.72	5,260,668.00	18,950,962.00	5,296,574.00	1,377,110.00
38	20120930	3-44	2008	2	Pending Foreclosure	10	1,721,024.00	519,154.00	1,721,024.00	519,154.00	218,045.00
39	20120930	3-44	2008	3	Foreclosure	118	21,906,046.24	5,857,691.00	22,059,210.00	5,897,043.00	4,068,955.00
40	20120930	3-44	2008	4	Claims Received	25	3,848,655.00	1,098,875.00	3,924,309.00	1,123,219.00	1,078,287.00
41	20120930	3-44A	2009	1	Delinquent	10	1,754,200.00	381,908.00	1,754,200.00	381,908.00	99,296.00
42	20120930	3-44A	2009	2	Pending Foreclosure	2	361,950.00	108,585.00	361,950.00	108,585.00	45,606.00
43	20120930	3-44A	2009	3	Foreclosure	6	1,508,430.00	371,028.00	1,508,430.00	371,028.00	256,010.00
44	20120930	3-44A	2009	4	Claims Received	2	254,695.00	63,674.00	254,695.00	63,674.00	61,127.00
45											
46											67,928,347
47											-
48											
55											
56											
57						38	423,573,069	124,784,528	427,129,100	125,792,365	67,466,308
58						344	3,879,275	925,195	3,879,275	925,195	462,039
59											67,928,347
60	1	Deliquent									
61	2	Pending Foreclosure									
62	3	Foreclosure									
63	4	Claim Received									
64											

CONFIDENTIAL

Filename "0912 Sep Settlement" - Worksheet "344"

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	**TRUST SUMMARY**															
2	**Atrium Re #3 44**															
3	**September 30, 2012**															
4																
5		**Reinsurer**			**Capital**	**Capital**	**Premiums**	**Net**	**Withdrawals**	**Excess**	**Min req.**	**Min req.**				
6	**Market**	**Risk**	**Ceded UPR**	**Contingency**	**Deposit**	**Deposit**	**less**	**Investment**	**for Operating Exp**	**Funds (dividend)**	**for**	**for**				
7	**Value**	**Layer**	**Loss Reserves**	**Reserves**	**Required**	**Made**	**Paid Losses**	**Income**	**and FIT**	**Withdrawals**	**expenses**	**excess funds**				
8	126 061 022	$ 977 497 487	32 374 055	91 064 806	$ 130 123 803.24	46 779 849.00	183 647 927.19	48 385 111.53	$ 50 272 000.00	103 473 654.00		125 907 637				
9																
10											**check**					
11																
12	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
13																
14											**Non Agency**			**US**		**Total**
15	**Updated for 9/30/2012**	**CUSIP**	**Letter**	**Cash**	**Mutual**	**Accrued**	**Treasury**	**US Government**	**FNMA/**	**US Government**	**Residential**	**Commercial**	**Municipal US**	**Corporate**	**Foreign**	**Market**
16	Not updated on the non-qtr end months	**Number**	**of Credit**	**Equivalents**	**Funds**	**Income**	**Securities**	**Bonds**	**GSE Securities**	**Tax and Loss Bonds**	**MBS**	**ABS/MBS**	**Obligations**	**Obligations**	**Obligations**	**Value**
17	COLGATE PALMOLIVE CO 1.250% 5/01/14	19416QDT4												1,116,610.00		1,116,610.00
18	FHLB 0.600% 8/06/15	313380AG2					228,154.99									228,154.99
19	FHLMC MTN 0.500% 8/28/15	3134G3ZA1					2 005 800.00									2 005 800.00
20	FHLMC 0.500% 2/24/15	3134G3NL0					2,002,960.00									2,002,960.00
21	FHLMC 2.875% 2/09/15	3137EACH0					1,905,912.00									1,905,912.00
22	FNMA 0.750% 12/19/14	3135G0FY4					1 604 691.60									1 604 691.60
23	FNMA 1.250% 1/30/17	3135G0GY3					1 180 509.50									1 180 509.50
24	FNMA 1.250% 9/28/16	3135G0CM3					2,146,848.00									2,146,848.00
25	FNMA 1.625% 10/26/15	31398A4M1					4,229,164.80									4,229,164.80
26	FNMA 2.375% 7/28/15	31398AU34					2 374 942.50									2 374 942.50
27	FNMA 3.000% 9/16/14	31398AYY2					653,449.00									653,449.00
28	GOOGLE INC 1.250% 5/19/14	38259PAA0												2,536,900.00		2,536,900.00
29	Johnson & Johnson	478160AU8												1 779 788.00		1 779 788.00
30	JOHNSON & JOHNSON 1.200% 5/15/14	478160AX2												887 836.25		887 836.25
31	Mass Mutual Global Funding	57629WAX8												1,001,560.00		1,001,560.00
32	Mass Mutual Global Funding	57629wbk5												569,360.00		569,360.00
33	Microsoft Corp	594918AG9												2 074 980.00		2 074 980.00
34	MICROSOFT CORP 2.950% 6/01/14	594918AB0												782,137.50		782,137.50
35	New York Life Global Funding	64952WAW3												1,375,868.00		1,375,868.00
36	New York Life Global Funding	64952wax1												1 268 712.50		1 268 712.50
37	NEW YORK LIFE GL 1.300% 1/12/15	64952WBE2												533 169.00		533 169.00
38	Novartis Capital Corportation	66989HAB4												2,018,180.00		2,018,180.00
39	PRIVATE EXPORT FUND 3.050% 10/15/14	742651DH2												2,105,980.00		2,105,980.00
40	PROCTER & GAMBLE CO 1.800% 11/15/15	742718DS5												1 119 679.20		1 119 679.20
41	Proctor and Gamble Company	742718DM8												2,139,600.00		2,139,600.00
42	NEW YORK LIFE GLBL 0.750% 7/24/15	64952WBH5												1,300,793.00		1,300,793.00
43	PRIVATE EXPT FNDG 5.450% 9/15/17	742651DE9												1,219,730.00		1,219,730.00
44	WAL-MART STORES 1.625% 4/15/14	931142DA8												2 851 520.00		2 851 520.00
45	3M COMPANY 1.375% 9/29/16	88579YAD3												1,667,298.75		1,667,298.75
46	USAA CAPITAL CORP 1.050% 9/30/14	90327QCV9												1,157,486.50		1,157,486.50
47	CHEVRON CORP 3.950% 3/03/14	166751AH0												1 469 720.00		1 469 720.00
48	U.S. TREASURY NOTES 2.000% 4/30/16	912828QF0					2 113 900.00									2 113 900.00
49	US Treasury Note	912828NV8					3,287,008.00									3,287,008.00
50	US TREASURY NOTE 1.000% 8/31/16	912828RF9					2,553,125.00									2,553,125.00
51	US TREASURY NOTE 2.375% 2/28/15	912828MR8					1 911 564.20									1 911 564.20
52	US Treasury Note	912828PF1					2,467,406.25									2,467,406.25
53	US Treasury Note	912828KS8					2,153,120.00									2,153,120.00
54	U.S. TREASURY NOTES 1.250% 10/31/15	912828PE4					4 523 420.00									4 523 420.00
55	US TREASURY NOTE 1.750% 7/31/15	912828NP1					5 099 087.00									5 099 087.00
56	U.S. TREASURY NOTES 1.875% 8/31/17	912828NW6					1,645,294.00									1,645,294.00
57	US TREASURY NOTE 2.125% 2/29/16	912828QJ2					1,674,183.80									1,674,183.80
58	U.S. TREASURY BILLS 1/03/13	9127956Z9					2 699 460.00									2 699 460.00
59	U.S. TREASURY BILLS 1/17/13	9127957B1					12,297,171.00									12,297,171.00
60	U.S. TREASURY BILLS 1/31/13	9127957D7					8,367,405.30									8,367,405.30
61	U.S. TREASURY BILLS 2/07/13	9127955Z0					9 496 485.00									9 496 485.00
62	U.S. TREASURY BILLS 2/14/13	9127957F2					6 997 130.00									6 997 130.00
63	U.S. TREASURY BILLS 2/21/13	9127957G0					6,097,255.00									6,097,255.00
64	XTO ENERGY INC 5.000% 1/31/15	98385XAF3												609,059.00		609,059.00
65	XTO ENERGY INC 5.750% 12/15/13	98385XAS5												2 337 170.00		2 337 170.00
66	WILMINGTON PRIME MONEY MKT CL ADMN	97181C407		422,436.92												422,436.92
67	Principal Cash															-
68																-
69	Total		-	422 436.92	-	-	91 715 446.94	-	-	-	-	-	-	33 923 137.70	-	126 061 021.56
70																-

EXHIBIT H

b)(4)

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Filename "1Q12-Atrium-Summary" - Worksheet "Inception To Date"

Protective Order

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Filename "1Q12-Atrium-Summary" - Worksheet "Inception To Date"

Protective Order

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Filename "1Q12-Atrium-Summary" - Worksheet "Inception To Date"

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Filename "1Q12-Atrium-Summary" - Worksheet "Premium Summary"

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Filename "1Q12-Atrium-Summary" - Worksheet "Premium Summary"

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Filename "1Q12-Atrium-Summary" - Worksheet "Premium Summary"

Protective Order

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Filename "1Q12-Atrium-Summary" - Worksheet "Excluded Certificates"

Protective Order

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Filename "1Q12-Atrium-Summary" - Worksheet "Excluded Certificates"

Protective Order

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Filename "1Q12-Atrium-Summary" - Worksheet "Aggregate Loss"

Protective Order

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Protective Order

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Filename "1Q12-Atrium-Summary" - Worksheet "Aggregate Loss"

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Filename "1Q12-Atrium-Summary" - Worksheet "Aggregate Loss"

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Protective Order

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EXHIBIT I

	A	B	C	D
1	**Trust Fund Required Amount**			**12/31/11**
2	**Atrium Insurance Corporation**			
3				
4	Initial Capital Funding	1/19/01		$ 1,250,000
5	Additional Capital Funding - 1q 01	3/30/01		1,250,000
6	Additional Capital Funding - 2q 01	6/27/01		1,250,000
7	Additional Capital Funding - 2q 01	9/26/01		1,250,000
8	Additional Capital Funding by lender	12/19/02		500,000
9	Operating and FIT Expense Reimbursement - up to 2002	12/24/03		(3,503,182)
10	Operating and FIT Expense Reimbursement - up to 2Q 04	2/28/05		(12,272,000)
11	Operating and FIT Expense Reimbursement - 2005	3/17/06		(6,500,000)
12	Operating and FIT Expense Reimbursement - 2006	1/17/07		(5,900,000)
13	Operating and FIT Expense Reimbursement - 07 & 08	3/9/09		(6,250,000)
14	Excess of Funds Release -- 1q 10	6/9/10		(5,000,000)
15				
16	Reinsurance Premiums -- 1q 01	5/15/01		35,152
17	Reinsurance Premiums -- Year 2000	5/15/01		176
18	Reinsurance Premiums -- 2q 01	8/15/01		233,128
19	Reinsurance Premiums -- 3q 01	11/15/01		713,283
20	Reinsurance Premiums -- 4q 01	3/29/02		1,343,556
21	Reinsurance Premiums -- 1q 02	5/15/02		1,779,792
22	Reinsurance Premiums -- 2q 02	8/15/02		2,332,816
23	Reinsurance Premiums -- 3q 02	11/15/02		2,837,810
24	Reinsurance Premiums -- 4q 02	3/27/03		3,400,093
25	Reinsurance Premiums -- 1q 03	5/15/03		3,611,767
26	Reinsurance Premiums -- 2q 03	8/15/03		3,896,529
27	Reinsurance Premiums -- 3q 03	11/15/03		4,155,792
28	Reinsurance Premiums -- 4q 03	3/26/04		4,632,639
29	Reinsurance Premiums -- 1q 04	5/14/04		3,073,509
30	Reinsurance Premiums -- 2q 04	8/13/04		4,639,022
31	Reinsurance Premiums -- 3q 04	11/15/04		4,251,487
32	Reinsurance Premiums -- 4q 04	3/31/05		5,361,703
33	Reinsurance Premiums -- 1q 05	5/15/05		3,746,650
34	Reinsurance Premiums -- 2q 05	8/15/05		3,586,236
35	Reinsurance Premiums -- 3q 05	11/15/05		3,381,372
36	Reinsurance Premiums -- 4q 05	3/30/06		3,119,566
37	Reinsurance Premiums -- 1q 06	5/15/06		2,976,799
38	Reinsurance Premiums -- 2q 06	8/15/06		2,881,769
39	Reinsurance Premiums -- 3q 06	11/15/06		2,762,056
40	Reinsurance Premiums -- 4q 06	3/30/07		2,596,913
41	Reinsurance Premiums -- 1q 07	5/15/07		2,608,329
42	Reinsurance Premiums -- 2q 07	8/15/07		2,546,243
43	Reinsurance Premiums -- 3q 07	11/15/07		2,384,005
44	Reinsurance Premiums -- 4q 07	3/28/08		2,548,971
45	Reinsurance Premiums -- 1q 08	5/15/08		2,568,091
46	Reinsurance Premiums -- 2q 08	8/15/08		2,630,825
47	Reinsurance Premiums -- 3q 08	11/15/08		2,837,847
48	Reinsurance Premiums -- 4q 08	3/30/09		2,960,020
49	Reinsurance Premiums -- 1q 09	5/15/09		2,946,333
50	Reinsurance Premiums -- 2q 09	8/15/09		2,863,485
51	Reinsurance Premiums -- 3q 09	11/15/09		2,741,447
52	Reinsurance Settlement -- 4q 09	3/30/10		1,941,366
53	Reinsurance Premiums -- 1q 10	5/15/10		950,169
54	Reinsurance Premiums -- 2q 10	8/15/10		581,199
55	Reinsurance Premiums -- 3q 10	11/15/10		(1,402,136)
56	Net Reinsurance Settlements -- 4q 10	3/30/11		(1,324,190)
57	Net Reinsurance Settlements -- 1q 11	5/15/11		17,039
58	Net Reinsurance Settlements -- 2q 11	8/15/11		(1,572,753)
59	Net Reinsurance Settlements -- 3q 11	11/15/11		(2,235,070)
60	Net Reinsurance Settlements -- 4q 11			(1,536,922)
61	Interest Income from Trust	12/31/11		11,456,861
62	**Total Deposits to Trust Account**			**72,685,593**

Filename "trust-Atrium.xls" - Worksheet "12.09 Withdrawal by Reinsurer"

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
1																							
2																							
3	**Atrium Insurance Corporation**																						**3/31/12**
4																							
5																							
6	**Withdrawals By Reinsurer (Annually)**																						
7	(Article XII Section 12.09)			**--U/W YEAR 2001--**		**--U/W YEAR 2002--**		**--U/W YEAR 2003--**		**--U/W YEAR 2004--**		**--U/W YEAR 2005--**		**--U/W YEAR 2006--**		**--U/W YEAR 2007--**		**--U/W YEAR 2008--**		**--U/W YEAR 2008--**			
8				**------- Book 2 --------**		**------- Book 3 --------**		**------- Book 4 --------**		**------- Book 5 --------**		**------- Book 6 --------**		**------- Book 7 --------**		**------- Book 8 --------**		**------- Book 9 --------**		**------- Book 10 --------**			
9																							
10	**Capital Requirement Amount after Withdrawal**																						
11																							
12	(i)	Capital Requirement Amount (replacement of assets):																					53,491,719
13		or																					
14	(ii)	Market Value of Trust Account => 102% of																					47,803,259
15																							
16		Greater of :			1,226,370		4,091,280		21,108,261		3,914,201		3,692,361		2,786,684		2,326,574		4,495,471		3,224,739		
17																							
18		1) Capital Ratio relating to such Books (20% ARE)		0		0		21,108,261		3,914,201		2,992,847		2,295,094		2,326,574		4,495,471		3,224,739			
19																							
20		2) Contingency Reserve		1,226,370		4,091,280		10,923,978		2,537,691		3,692,361		2,786,684		2,299,572		4,231,447		2,761,914			
21																							
22																							
23	**Minimum Capital Requirement Amount after Withdrawa**																						**53,491,719**
24	Less:	Trust Account Balance per Bank Statement as of		3/31/12																			64,022,866
25		Net Reinsurance Settlement - 1q 12																					(3,232,806)
26	**Excess of funds available for Withdrawa**																						**7,298,340**
27																							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**Trust Fund Required Amount**													**03/31/12**
2	**Atrium Insurance Corporation**													
3														
4			Initial Capital Funding		1/19/01									$ 1,250,000
5			Additional Capital Funding - 1q 01		3/30/01									1,250,000
6			Reinsurance Premiums -- Year 2000		5/15/01									176
7			Reinsurance Premiums -- 1q 01		5/15/01									35,152
8			Additional Capital Funding - 2q 01		6/27/01									1,250,000
9			Reinsurance Premiums -- 2q 01		8/15/01									233,128
10			Lender deposited by mistake, withdrawn in Oct. 01		9/24/01									327,302
11			Additional Capital Funding - 2q 01		9/26/01									1,250,000
12			Lender deposited by mistake, withdrawn in Oct. 01											(327,302)
13			Reinsurance Premiums -- 3q 01		11/15/01									713,283
14			Reinsurance Premiums -- 4q 01		3/29/02									1,343,556
15			Reinsurance Premiums -- 1q 02		5/15/02									1,779,792
16			Reinsurance Premiums -- 2q 02		8/15/02									2,332,816
17			Reinsurance Premiums -- 3q 02		11/15/02									2,837,810
18			Additional Capital Funding by lender		12/19/02									500,000
19			Reinsurance Premiums -- 4q 02		3/27/03									3,400,093
20			Reinsurance Premiums -- 1q 03		5/15/03									3,611,767
21			Reinsurance Premiums -- 2q 03		8/15/03									3,896,529
22			Reinsurance Premiums -- 3q 03		11/15/03									4,155,792
23			Operating and FIT Expense Reimbursement - up to 2002		12/24/03									(3,503,182)
24			Reinsurance Premiums -- 4q 03		3/26/04									4,632,639
25			Reinsurance Premiums -- 1q 04		5/14/04									3,073,509
26			Reinsurance Premiums -- 2q 04		8/13/04									4,639,022
27			Reinsurance Premiums -- 3q 04		11/15/04									4,251,487
28			Reinsurance Premiums -- 4q 04		3/31/05									5,361,703
29			Operating and FIT Expense Reimbursement - up to 2Q 04		2/28/05									(12,272,000)
30			Reinsurance Premiums -- 1q 05		5/15/05									3,746,650
31			Reinsurance Premiums -- 2q 05		8/15/05									3,586,236
32			Reinsurance Premiums -- 3q 05		11/15/05									3,381,372
33			Reinsurance Premiums -- 4q 05		3/30/06									3,119,566
34			Operating and FIT Expense Reimbursement - 2005		3/17/06									(6,500,000)
35			Reinsurance Premiums -- 1q 06		5/15/06									2,976,799
36			Reinsurance Premiums -- 2q 06		8/15/06									2,881,769
37			Reinsurance Premiums -- 3q 06		11/15/06									2,762,056
38			Reinsurance Premiums -- 4q 06		3/30/07									2,596,913
39			Operating and FIT Expense Reimbursement - 2006		1/17/07									(5,900,000)
40			Reinsurance Premiums -- 1q 07		5/15/07									2,608,329
41			Reinsurance Premiums -- 2q 07		8/15/07									2,546,243
42			Reinsurance Premiums -- 3q 07		11/15/07									2,384,005
43			Reinsurance Premiums -- 4q 07		3/28/08									2,548,971
44			Reinsurance Premiums -- 1q 08		5/15/08									2,568,091
45			Reinsurance Premiums -- 2q 08		8/15/08									2,630,825
46			Reinsurance Premiums -- 3q 08		11/15/08									2,837,847
47			Reinsurance Premiums -- 4q 08		3/30/09									2,960,020
48			Operating and FIT Expense Reimbursement - 07 & 08		3/9/09									(6,250,000)
49			Reinsurance Premiums -- 1q 09		5/15/09									2,946,333
50			Reinsurance Premiums -- 2q 09		8/15/09									2,863,485
51			Reinsurance Premiums -- 3q 09		11/15/09									2,741,447
52			Reinsurance Settlement -- 4q 09		3/30/10									1,941,366
53			Reinsurance Premiums -- 1q 10		5/15/10									950,169
54			Excess of Funds Release -- 1q 10		6/9/10									(5,000,000)
55			Reinsurance Premiums -- 2q 10		8/15/10									581,199
56			Reinsurance Premiums -- 3q 10		11/15/10									(1,402,136)
57			Net Reinsurance Settlements -- 4q 10		3/30/11									(1,324,190)
58			Net Reinsurance Settlements -- 1q 11		5/15/11									17,039
59			Net Reinsurance Settlements -- 2q 11		8/15/11									(1,572,753)
60			Net Reinsurance Settlements -- 3q 11		11/15/11									(2,235,070)
61			Net Reinsurance Settlements -- 4q 11		3/30/12									(1,536,922)
62			Excess of Funds Release -- 4Q 11		3/30/12									(8,900,000)
63			Net Reinsurance Settlements -- 1q 11											(3,232,806)
64			Interest Income from Trust		3/31/12									10,444,134
65			**Total Deposits to Custody Account:**											**60,790,060**
66														
67		**Capital Requirement Amount:**												
68				**YR 2001**	**YR 2002**	**YR 2003**	**YR 2004**	**YR 2005**	**YR 2006**	**YR 2007**	**YR 2008**	**YR 2008**		
69	**I.**		**All Reinsurer Reserves**	**Book 2**	**Book 3**	**Book 4**	**Book 5**	**Book 6**	**Book 7**	**Book 8**	**Book 9**	**Book 10**		
70														
71		A.	Unearned premium reserves	-	-	14,537	10,306	7,253	8,568	31,344	8,359	16,918		
72		B.	Claims											
73		C.	Loss reserves	-	-	-	-	4,429,679	2,140,918	4,666,284	7,606,257	-		
74		D.	Loss adjustment expense reserves											
75			Total reinsurer reserves	-	-	14,537	10,306	4,436,933	2,149,486	4,697,628	7,614,615	16,918		18,940,423
76														
77	**II.**		**PLUS the greater of (A) or (B)**											34,551,296
78														
79		A.	Capital Ratio = or > 10% (I.e. 10% of ARE)	-	-	10,554,130	1,957,101	1,496,423	1,147,547	1,163,287	2,247,736	1,612,369		
80			(Capital Reserve / Aggregate Risk Exposure)											
81		B.	Contingency reserve	1,226,370	4,091,280	10,923,978	2,537,691	3,692,361	2,786,684	2,299,572	4,231,447	2,761,914		
82														
83	**Capital Requirement Amount:**													**53,491,719**
84			Less: Trust Account Balance per Bank Statement as of	3/31/12										64,022,866
85			Net Reinsurance Settlement - 1q 12											(3,232,806)
86			**Trust Account Over \ Under Funded By:**											**7,298,340**
87														

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	**Aggregate Loss Report for Atrium Reinsurance Corporation as of 03/31/2012**															
2																
3	**Fiscal Year**	**Books**	**Loan Type**	**LTV%**	**Count**	**Insurance in Force**	**Risk In Force**	**First Loss Percent**	**First Loss Amount**	**ARE Amount**	**Second Loss Amount**	**Second Loss Percent**	**Direct Reserve and IBNR**	**Paid Claims**	**Reins Reserves and IBNR**	**Reins Paid Losses**
4																
5																
6		**Book 1**	**SubTotal:**		**0**	**0**	**0**		**0.00**	**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**0.00**
7																
8																
9		**Book 2**	**SubTotal:**		**0**	**0**	**0**		**0.00**	**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**0.00**
10																
11																
12		**Book 3**	**SubTotal:**		**0**	**0**	**0**		**0.00**	**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**0.00**
13																
14	2003	Book 4	97.1 - 105	Fixed	5,260	595,476,619	208,353,125	4.00	8,334,125.00	20,835,312.00	29,169,438.00	14.00				
15	2003	Book 4	95.1 - 97	Fixed	2,320	264,687,278	92,611,595	4.00	3,704,464.00	9,261,160.00	12,965,623.00	14.00				
16	2003	Book 4	90.1 - 95	Fixed	5 700	813 948 398	242 538 634	4.00	9 701 545.00	24 253 863.00	33 955 409.00	14.00				
17	2003	Book 4	85.1 - 90	Fixed	5 788	821 087 792	186 790 042	4.00	7 471 602.00	18 679 004.00	26 150 606.00	14.00				
18	2003	Book 4	0 - 85	Fixed	1,953	280,346,256	29,051,616	4.00	1,162,065.00	2,905,162.00	4,067,226.00	14.00				
19	2003	Book 4	97.1 - 105	Variable	927	149,108,455	52,226,513	4.00	2,089,061.00	5,222,651.00	7,311,712.00	14.00				
20	2003	Book 4	95.1 - 97	Variable	32	5,360,454	1,876,164	4.00	75,047.00	187,616.00	262,663.00	14.00				
21	2003	Book 4	90.1 - 95	Variable	2,337	424,849,437	127,464,198	4.00	5,098,568.00	12,746,420.00	17,844,988.00	14.00				
22	2003	Book 4	85.1 - 90	Variable	1 942	387 667 039	96 963 600	4.00	3 878 544.00	9 696 360.00	13 574 904.00	14.00				
23	2003	Book 4	0 - 85	Variable	695	146 121 917	17 537 546	4.00	701 502.00	1 753 755.00	2 455 256.00	14.00				
24																
25		**Book 4**	**SubTotal:**		**26,954**	**3,888,653,645**	**1,055,413,033**		**42,216,523.00**	**105,541,303.00**	**147,757,825.00**		**7,251,251.62**	**26,430,593.10**	**0.00**	**0.00**
26																
27	2004	Book 5	97.1 - 105	Fixed	917	109,275,542	38,169,335	4.00	1,526,773.00	3,816,934.00	5,343,707.00	14.00				
28	2004	Book 5	95.1 - 97	Fixed	158	21 399 465	7 109 931	4.00	284 397.00	710 993.00	995 390.00	14.00				
29	2004	Book 5	90.1 - 95	Fixed	986	135 283 926	39 468 974	4.00	1 578 759.00	3 946 897.00	5 525 656.00	14.00				
30	2004	Book 5	85.1 - 90	Fixed	942	127 744 677	29 313 949	4.00	1 172 558.00	2 931 395.00	4 103 953.00	14.00				
31	2004	Book 5	0 - 85	Fixed	284	46,768,566	5,365,595	4.00	214,624.00	536,560.00	751,183.00	14.00				
32	2004	Book 5	97.1 - 105	Variable	193	31,503,398	11,026,195	4.00	441,048.00	1,102,620.00	1,543,667.00	14.00				
33	2004	Book 5	95.1 - 97	Variable	9	1,531,266	535,943	4.00	21,438.00	53,594.00	75,032.00	14.00				
34	2004	Book 5	90.1 - 95	Variable	658	117,832,770	35,347,013	4.00	1,413,881.00	3,534,701.00	4,948,582.00	14.00				
35	2004	Book 5	85.1 - 90	Variable	409	89 261 137	22 338 051	4.00	893 522.00	2 233 805.00	3 127 327.00	14.00				
36	2004	Book 5	0 - 85	Variable	202	57 187 679	7 035 074	4.00	281 403.00	703 507.00	984 910.00	14.00				
37																
38		**Book 5**	**SubTotal:**		**4,758**	**737,788,426**	**195,710,060**		**7,828,403.00**	**19,571,006.00**	**27,399,407.00**		**1,790,906.32**	**5,994,546.09**	**0.00**	**0.00**
39																
40	2005	Book 6	97.1 - 105	Fixed	1,420	164,851,837	55,386,372	4.00	2,215,455.00	5,538,637.00	7,754,092.00	14.00				
41	2005	Book 6	95.1 - 97	Fixed	83	12 153 812	4 150 285	4.00	166 011.00	415 028.00	581 040.00	14.00				
42	2005	Book 6	90.1 - 95	Fixed	741	108 553 351	31 431 667	4.00	1 257 267.00	3 143 167.00	4 400 433.00	14.00				
43	2005	Book 6	85.1 - 90	Fixed	716	103,818,680	24,295,516	4.00	971,821.00	2,429,552.00	3,401,372.00	14.00				
44	2005	Book 6	0 - 85	Fixed	190	31,821,123	3,775,235	4.00	151,009.00	377,524.00	528,533.00	14.00				
45	2005	Book 6	97.1 - 105	Variable	96	17,289,444	6,051,309	4.00	242,052.00	605,131.00	847,183.00	14.00				
46	2005	Book 6	95.1 - 97	Variable	6	1,101,249	385,438	4.00	15,418.00	38,544.00	53,961.00	14.00				
47	2005	Book 6	90.1 - 95	Variable	153	31 411 428	9 656 164	4.00	386 247.00	965 616.00	1 351 863.00	14.00				
48	2005	Book 6	85.1 - 90	Variable	184	46 262 005	11 618 130	4.00	464 725.00	1 161 813.00	1 626 538.00	14.00				
49	2005	Book 6	0 - 85	Variable	68	23 460 004	2 892 213	4.00	115 689.00	289 221.00	404 910.00	14.00				
50																
51		**Book 6**	**SubTotal:**		**3,657**	**540,722,933**	**149,642,329**		**5,985,694.00**	**14,964,233.00**	**20,949,925.00**		**4,429,679.22**	**12,176,387.50**	**4,429,679.22**	**6,190,693.50**
52																
53	2006	Book 7	97.1 - 105	Fixed	1 225	157 297 770	45 870 096	4.00	1 834 804.00	4 587 010.00	6 421 813.00	14.00				
54	2006	Book 7	95.1 - 97	Fixed	58	9 197 039	2 786 458	4.00	111 458.00	278 646.00	390 104.00	14.00				
55	2006	Book 7	90.1 - 95	Fixed	516	84 347 076	24 356 734	4.00	974 269.00	2 435 673.00	3 409 943.00	14.00				
56	2006	Book 7	85.1 - 90	Fixed	599	95,945,125	23,401,758	4.00	936,070.00	2,340,176.00	3,276,246.00	14.00				
57	2006	Book 7	0 - 85	Fixed	117	21,750,206	2,709,643	4.00	108,386.00	270,964.00	379,350.00	14.00				
58	2006	Book 7	97.1 - 105	Variable	15	2,690,780	941,773	4.00	37,671.00	94,177.00	131,848.00	14.00				
59	2006	Book 7	95.1 - 97	Variable	3	1,039,100	363,685	4.00	14,547.00	36,368.00	50,916.00	14.00				
60	2006	Book 7	90.1 - 95	Variable	56	15 769 797	5 059 983	4.00	202 399.00	505 998.00	708 398.00	14.00				
61	2006	Book 7	85.1 - 90	Variable	110	31 307 048	8 554 279	4.00	342 171.00	855 428.00	1 197 599.00	14.00				
62	2006	Book 7	0 - 85	Variable	18	5,029,390	710,275	4.00	28,411.00	71,028.00	99,438.00	14.00				
63																
64		**Book 7**	**SubTotal:**		**2,717**	**424,373,331**	**114,754,684**		**4,590,186.00**	**11,475,468.00**	**16,065,655.00**		**5,537,879.54**	**13,924,736.17**	**2,140,917.83**	**9,334,550.17**
65																
66	2007	Book 8	97.1 - 105	Fixed	1 018	149 349 063	44 439 026	4.00	1 777 561.00	4 443 903.00	6 221 464.00	14.00				
67	2007	Book 8	95.1 - 97	Fixed	64	9 943 372	3 011 861	4.00	120 474.00	301 186.00	421 661.00	14.00				
68	2007	Book 8	90.1 - 95	Fixed	583	101,378,415	28,810,202	4.00	1,152,408.00	2,881,020.00	4,033,428.00	14.00				
69	2007	Book 8	85.1 - 90	Fixed	648	119,942,662	28,074,453	4.00	1,122,978.00	2,807,445.00	3,930,423.00	14.00				
70	2007	Book 8	0 - 85	Fixed	162	31,446,364	3,811,539	4.00	152,462.00	381,154.00	533,615.00	14.00				
71	2007	Book 8	97.1 - 105	Variable	12	2,385,140	726,575	4.00	29,063.00	72,658.00	101,720.00	14.00				
72	2007	Book 8	90.1 - 95	Variable	37	10 385 485	3 150 575	4.00	126 023.00	315 058.00	441 080.00	14.00				
73	2007	Book 8	85.1 - 90	Variable	48	14 415 668	3 842 666	4.00	153 707.00	384 267.00	537 973.00	14.00				
74	2007	Book 8	0 - 85	Variable	8	3 245 750	461 778	4.00	18 471.00	46 178.00	64 649.00	14.00				
75																
76		**Book 8**	**SubTotal:**		**2,580**	**442,491,919**	**116,328,675**		**4,653,147.00**	**11,632,869.00**	**16,286,013.00**		**6,356,735.98**	**11,619,731.75**	**4,666,284.25**	**6,966,584.75**
77																
78	2008	Book 9	97.1 - 105	Fixed	1 040	150 828 768	50 869 663	4.00	2 034 787.00	5 086 966.00	7 121 753.00	14.00				
79	2008	Book 9	95.1 - 97	Fixed	430	64 760 941	22 214 178	4.00	888 567.00	2 221 418.00	3 109 985.00	14.00				
80	2008	Book 9	90.1 - 95	Fixed	1 271	222 031 486	65 616 178	4.00	2 624 647.00	6 561 618.00	9 186 265.00	14.00				
81	2008	Book 9	85.1 - 90	Fixed	1,220	223,490,523	53,186,201	4.00	2,127,448.00	5,318,620.00	7,446,068.00	14.00				
82	2008	Book 9	0 - 85	Fixed	244	48,039,228	5,548,231	4.00	221,929.00	554,823.00	776,752.00	14.00				
83	2008	Book 9	97.1 - 105	Variable	80	17,362,315	6,076,811	4.00	243,072.00	607,681.00	850,754.00	14.00				
84	2008	Book 9	95.1 - 97	Variable	25	5,463,687	1,876,020	4.00	75,041.00	187,602.00	262,643.00	14.00				
85	2008	Book 9	90.1 - 95	Variable	104	25 739 341	7 723 098	4.00	308 924.00	772 310.00	1 081 234.00	14.00				
86	2008	Book 9	85.1 - 90	Variable	130	39 873 718	9 968 437	4.00	398 737.00	996 844.00	1 395 581.00	14.00				
87	2008	Book 9	0 - 85	Variable	38	14,122,887	1,694,746	4.00	67,790.00	169,475.00	237,264.00	14.00				
88																
89		**Book 9**	**SubTotal:**		**4,582**	**811,712,894**	**224,773,563**		**8,990,942.00**	**22,477,357.00**	**31,468,299.00**		**7,606,256.88**	**15,070,349.31**	**7,606,256.88**	**6,079,407.31**
90																
91	2008	Book 10	97.1 - 105	Fixed	21	3 407 326	1 173 815	4.50	52 822.00	58 691.00	111 512.00	9.50				
92	2008	Book 10	95.1 - 97	Fixed	355	54 898 632	18 731 795	4.50	842 931.00	936 590.00	1 779 521.00	9.50				
93	2008	Book 10	90.1 - 95	Fixed	2,233	400,073,377	117,901,432	4.50	5,305,564.00	5,895,072.00	11,200,636.00	9.50				
94	2008	Book 10	85.1 - 90	Fixed	3,180	620,224,626	148,936,436	4.50	6,702,140.00	7,446,822.00	14,148,961.00	9.50				
95	2008	Book 10	0 - 85	Fixed	627	128,490,279	14,980,758	4.50	674,134.00	749,038.00	1,423,172.00	9.50				
96	2008	Book 10	97.1 - 105	Variable	2	414,000	144,900	4.50	6,520.00	7,245.00	13,766.00	9.50				
97	2008	Book 10	95.1 - 97	Variable	8	2 172 121	760 242	4.50	34 211.00	38 012.00	72 223.00	9.50				
98	2008	Book 10	90.1 - 95	Variable	100	26 362 446	7 908 740	4.50	355 893.00	395 437.00	751 330.00	9.50				
99	2008	Book 10	85.1 - 90	Variable	140	41 083 503	10 270 887	4.50	462 190.00	513 544.00	975 734.00	9.50				
100	2008	Book 10	0 - 85	Variable	40	13,873,639	1,664,837	4.50	74,918.00	83,242.00	158,160.00	9.50				
101																
102		**Book 10**	**SubTotal:**		**6,706**	**1,290,999,949**	**322,473,842**		**14,511,323.00**	**16,123,693.00**	**30,635,015.00**		**5,766,148.75**	**6,513,367.65**	**0.00**	**0.00**
103																
104																
105	**TOTAL:**				**51,954**	**8,136,743,097**	**2,179,096,186**		**88,776,218.00**	**201,785,929.00**	**290,562,139.00**		**38,738,858.31**	**91,729,711.57**	**18,843,138.18**	**28,571,235.73**

	A	B	C	D	E	F	G	H	I	J	K	L
1	**Inception To Date Report for Atrium Reinsurance Corporation as of 03/31/2012**											
2												
3	**Books**	**Fiscal Year**	**Direct Prem Written**	**Direct Prem Earned**	**Direct PY Prem Unearned**	**Direct CY Prem Unearned**	**Reins Prem Written**	**Reins Prem Earned**	**Contingency Reserve 50 % Reins Earned**	**Reins Ceding Commision**	**PY Reins Unearned Prem Reserve**	**CY Reins Unearned Prem Reserve**
4												
5	Book 1	2000	439.70	439.70	0.00	0.00	197.86	197.86	98.93	21.96	0.00	0.00
6	Book 1	2001	2,400.32	2,400.32	0.00	0.00	1,080.14	1,080.14	540.07	119.89	0.00	0.00
7	Book 1	2002	2,251.72	2,251.72	0.00	0.00	1,013.27	1,013.27	506.64	112.47	0.00	0.00
8	Book 1	2003	573.72	573.72	0.00	0.00	258.17	258.17	129.08	28.66	0.00	0.00
9												
10		**Subtotal:**	**5,665.46**	**5,665.46**	**0.00**	**0.00**	**2,549.44**	**2,549.44**	**1,274.72**	**282.98**	**0.00**	**0.00**
11												
12	Book 2	2001	5,807,531.38	5,706,354.74	0.00	101,176.64	2,613,397.12	2,567,867.63	1,283,933.82	290,086.63	0.00	45,529.49
13	Book 2	2002	14,390,532.22	14,410,567.47	101,176.64	81,141.39	6,475,741.33	6,484,757.19	3,242,378.60	718,807.24	45,529.49	36,513.63
14	Book 2	2003	8,415,077.15	8,458,884.99	81,141.39	37,333.55	3,786,786.68	3,806,500.21	1,903,250.10	420,332.94	36,513.63	16,800.10
15	Book 2	2004	3,904,189.50	3,919,315.68	37,333.55	22,207.37	1,756,885.82	1,763,692.60	881,846.30	195,014.25	16,800.10	9,993.32
16	Book 2	2005	2,387,951.14	2,393,698.97	22,207.37	16,459.54	1,074,578.01	1,077,164.54	538,582.27	119,277.95	9,993.32	7,406.79
17	Book 2	2006	1,667,771.50	1,670,969.02	16,459.54	13,262.02	750,497.01	751,935.89	375,967.94	83,305.04	7,406.79	5,967.91
18	Book 2	2007	1,321,596.45	1,324,986.14	13,262.02	9,872.33	594,718.58	596,243.94	298,121.97	66,013.78	5,967.91	4,442.55
19	Book 2	2008	1,019,472.29	1,020,287.85	9,872.33	9,056.77	458,762.52	459,129.52	229,564.76	50,922.57	4,442.55	4,075.55
20	Book 2	2009	811,229.94	813,427.66	9,056.77	6,859.05	365,053.47	366,042.45	183,021.22	40,520.86	4,075.55	3,086.57
21	Book 2	2010	617,629.63	618,726.77	6,859.05	5,761.91	277,933.38	278,427.09	139,213.54	30,850.64	3,086.57	2,592.86
22	Book 2	2011	(3,626.75)	2,135.16	5,761.91	0.00	(1,632.04)	960.82	480.41	(181.15)	2,592.86	0.00
23												
24		**Subtotal:**	**40,339,354.45**	**40,339,354.45**	**0.00**	**0.00**	**18,152,721.88**	**18,152,721.88**	**9,076,360.93**	**2,014,950.75**	**0.00**	**0.00**
25												
26	Book 3	2002	11,468,062.11	10,803,971.85	0.00	664,090.26	5,160,640.71	4,861,800.09	2,430,900.04	572,829.54	0.00	298,840.62
27	Book 3	2003	19,175,133.38	19,389,374.90	664,090.26	449,848.74	8,628,811.19	8,725,219.88	4,362,609.94	957,798.24	298,840.62	202,431.93
28	Book 3	2004	11,731,530.09	11,885,676.12	449,848.74	295,702.71	5,279,188.95	5,348,554.66	2,674,277.33	585,990.52	202,431.93	133,066.22
29	Book 3	2005	7,480,314.96	7,598,517.21	295,702.71	177,500.46	3,366,141.61	3,419,332.62	1,709,666.31	373,641.96	133,066.22	79,875.21
30	Book 3	2006	5,111,300.55	5,162,351.74	177,500.46	126,449.27	2,300,085.32	2,323,058.36	1,161,529.18	255,309.72	79,875.21	56,902.17
31	Book 3	2007	3,957,424.28	3,984,185.69	126,449.27	99,687.86	1,780,841.16	1,792,883.79	896,441.90	197,673.45	56,902.17	44,859.54
32	Book 3	2008	3,001,700.54	3,026,128.49	99,687.86	75,259.91	1,350,765.13	1,361,757.71	680,878.86	149,935.02	44,859.54	33,866.96
33	Book 3	2009	2,436,308.22	2,459,366.87	75,259.91	52,201.26	1,096,338.69	1,106,715.08	553,357.54	121,693.81	33,866.96	23,490.57
34	Book 3	2010	1,943,145.84	1,955,554.05	52,201.26	39,793.05	874,415.69	879,999.39	439,999.70	97,060.26	23,490.57	17,906.87
35	Book 3	2011	1,587,208.31	1,595,878.95	39,793.05	31,122.41	714,243.92	718,145.71	359,072.86	79,281.33	17,906.87	14,005.08
36	Book 3	2012	(31,122.41)	0.00	31,122.41	0.00	(14,005.12)	(0.04)	(0.02)	(1,554.55)	14,005.08	0.00
37												
38		**Subtotal:**	**67,861,005.87**	**67,861,005.87**	**31,122.41**	**0.00**	**30,537,467.25**	**30,537,467.25**	**15,268,733.64**	**3,389,659.30**	**14,005.08**	**0.00**
39												
40	Book 4	2003	13,460,255.70	12,979,418.34	0.00	480,837.36	6,057,128.88	5,840,752.07	2,920,376.04	672,340.14	0.00	216,376.81
41	Book 4	2004	24,808,777.58	24,874,279.19	480,837.36	415,335.75	11,163,949.57	11,193,425.29	5,596,712.64	1,239,198.87	216,376.81	186,901.09
42	Book 4	2005	18,470,335.66	18,599,824.82	415,335.75	285,846.59	8,311,651.49	8,369,921.61	4,184,960.80	922,593.69	186,901.09	128,630.97
43	Book 4	2006	12,838,357.15	12,922,821.88	285,846.59	201,381.86	5,777,260.73	5,815,269.86	2,907,634.93	641,276.67	128,630.97	90,621.84
44	Book 4	2007	10,027,855.01	10,080,996.37	201,381.86	148,240.50	4,512,535.37	4,536,448.99	2,268,224.50	500,891.59	90,621.84	66,708.22
45	Book 4	2008	7,919,148.46	7,955,162.34	148,240.50	112,226.62	3,563,616.30	3,579,822.54	1,789,911.27	395,561.83	66,708.22	50,501.98
46	Book 4	2009	6,696,715.58	6,724,904.36	112,226.62	84,037.84	3,013,521.75	3,026,206.70	1,513,103.35	334,501.15	50,501.98	37,817.03
47	Book 4	2010	5,493,039.96	5,518,513.46	84,037.84	58,564.34	2,471,867.76	2,483,330.84	1,241,665.42	274,377.54	37,817.03	26,353.95
48	Book 4	2011	4,384,598.85	4,397,261.73	58,564.34	45,901.46	1,973,069.49	1,978,767.73	989,383.86	219,010.79	26,353.95	20,655.66
49	Book 4	2012	937,753.88	951,351.66	45,901.46	32,303.68	421,990.35	428,109.35	214,054.68	46,840.77	20,655.66	14,536.66
50												
51		**Subtotal:**	**105,036,837.83**	**105,004,534.15**	**45,901.46**	**32,303.68**	**47,266,591.64**	**47,252,054.98**	**23,626,027.49**	**5,246,593.04**	**20,655.66**	**14,536.66**
52												
53	Book 5	2004	2,879,227.21	2,559,964.68	0.00	319,262.53	1,295,654.19	1,151,986.05	575,993.02	143,817.01	0.00	143,668.14
54	Book 5	2005	4,306,569.98	4,398,398.60	319,262.53	227,433.91	1,937,956.57	1,979,279.45	989,639.72	215,113.14	143,668.14	102,345.26
55	Book 5	2006	3,066,237.05	3,136,806.75	227,433.91	156,864.21	1,379,806.72	1,411,563.09	705,781.54	153,158.57	102,345.26	70,588.89
56	Book 5	2007	2,265,311.23	2,302,284.07	156,864.21	119,891.37	1,019,390.17	1,036,027.94	518,013.97	113,152.27	70,588.89	53,951.12
57	Book 5	2008	1,807,879.62	1,838,090.02	119,891.37	89,680.97	813,545.68	827,140.36	413,570.18	90,303.58	53,951.12	40,356.44
58	Book 5	2009	1,500,931.85	1,526,730.25	89,680.97	63,882.57	675,419.26	687,028.54	343,514.27	74,971.41	40,356.44	28,747.16
59	Book 5	2010	1,240,125.17	1,254,832.16	63,882.57	49,175.58	558,056.31	564,674.46	282,337.23	61,944.28	28,747.16	22,129.01
60	Book 5	2011	980,991.90	999,559.58	49,175.58	30,607.90	441,446.35	449,801.80	224,900.90	49,000.63	22,129.01	13,773.56
61	Book 5	2012	212,618.03	220,323.34	30,607.90	22,902.59	95,678.33	99,145.72	49,572.86	10,620.25	13,773.56	10,306.17
62												
63		**Subtotal:**	**18,259,892.04**	**18,236,989.45**	**30,607.90**	**22,902.59**	**8,216,953.58**	**8,206,647.41**	**4,103,323.69**	**912,081.14**	**13,773.56**	**10,306.17**
64												
65	Book 6	2005	1,953,033.88	1,880,652.83	0.00	72,381.05	878,867.28	846,295.81	423,147.90	97,553.99	0.00	32,571.47
66	Book 6	2006	3,761,916.51	3,776,105.87	72,381.05	58,191.69	1,692,862.60	1,699,247.81	849,623.90	187,907.66	32,571.47	26,186.26
67	Book 6	2007	3,206,498.34	3,219,044.12	58,191.69	45,645.91	1,442,924.18	1,448,569.78	724,284.89	160,164.19	26,186.26	20,540.66
68	Book 6	2008	2,660,704.17	2,668,353.71	45,645.91	37,996.37	1,197,316.77	1,200,759.06	600,379.53	132,901.78	20,540.66	17,098.37
69	Book 6	2009	2,251,111.95	2,256,243.11	37,996.37	32,865.21	1,013,000.26	1,015,309.29	507,654.64	112,442.65	17,098.37	14,789.34
70	Book 6	2010	1,937,775.69	1,945,313.34	32,865.21	25,327.56	871,999.05	875,390.99	437,695.50	96,791.68	14,789.34	11,397.40
71	Book 6	2011	1,638,496.74	1,642,572.45	25,327.56	21,251.85	737,323.60	739,157.67	369,578.84	81,842.66	11,397.40	9,563.33
72	Book 6	2012	387,445.85	392,578.94	21,251.85	16,118.76	174,351.10	176,660.99	88,330.50	19,352.86	9,563.33	7,253.44
73												
74		**Subtotal:**	**17,796,983.13**	**17,780,864.37**	**21,251.85**	**16,118.76**	**8,008,644.84**	**8,001,391.40**	**4,000,695.70**	**888,957.47**	**9,563.33**	**7,253.44**
75												
76	Book 7	2006	1,543,293.48	1,468,639.73	0.00	74,653.75	694,483.81	660,889.62	330,444.81	77,087.39	0.00	33,594.19
77	Book 7	2007	2,865,192.10	2,875,663.38	74,653.75	64,182.47	1,289,336.61	1,294,048.69	647,024.34	143,116.41	33,594.19	28,882.11
78	Book 7	2008	2,446,254.90	2,457,775.89	64,182.47	52,661.48	1,100,814.63	1,105,999.07	552,999.54	122,190.56	28,882.11	23,697.67
79	Book 7	2009	2,070,377.24	2,088,294.06	52,661.48	34,744.66	931,669.52	939,732.09	469,866.04	103,415.45	23,697.67	15,635.10
80	Book 7	2010	1,740,742.24	1,746,790.51	34,744.66	28,696.39	783,333.99	786,055.71	393,027.86	86,950.25	15,635.10	12,913.38
81	Book 7	2011	1,441,678.76	1,446,168.22	28,696.39	24,206.93	648,755.55	650,775.81	325,387.90	72,011.97	12,913.38	10,893.12
82	Book 7	2012	296,757.22	301,923.58	24,206.93	19,040.57	133,541.26	135,866.12	67,933.06	14,822.91	10,893.12	8,568.26
83												
84		**Subtotal:**	**12,404,295.94**	**12,385,255.37**	**24,206.93**	**19,040.57**	**5,581,935.37**	**5,573,367.11**	**2,786,683.55**	**619,594.94**	**10,893.12**	**8,568.26**
85												
86	Book 8	2007	1,516,642.05	1,216,238.66	0.00	300,403.39	682,490.25	547,308.72	273,654.36	75,756.29	0.00	135,181.53
87	Book 8	2008	2,696,646.56	2,756,424.45	300,403.39	240,625.50	1,213,490.84	1,240,390.89	620,195.44	134,697.65	135,181.53	108,281.48
88	Book 8	2009	2,304,704.83	2,367,712.12	240,625.50	177,618.21	1,037,117.07	1,065,470.36	532,735.18	115,120.22	108,281.48	79,928.19
89	Book 8	2010	1,899,459.01	1,953,251.85	177,618.21	123,825.37	854,756.61	878,963.38	439,481.69	94,878.12	79,928.19	55,721.42
90	Book 8	2011	1,533,806.18	1,578,701.83	123,825.37	78,929.72	690,212.89	710,415.94	355,207.97	76,613.64	55,721.42	35,518.37
91	Book 8	2012	338,709.38	347,986.47	78,929.72	69,652.63	152,419.74	156,594.43	78,297.22	16,918.52	35,518.37	31,343.68
92												
93		**Subtotal:**	**10,289,968.01**	**10,220,315.38**	**78,929.72**	**69,652.63**	**4,630,487.40**	**4,599,143.72**	**2,299,571.86**	**513,984.44**	**35,518.37**	**31,343.68**
94												
95	Book 9	2008	4,453,204.43	4,396,116.74	0.00	57,087.69	2,003,944.07	1,978,254.61	989,127.30	222,437.54	0.00	25,689.46
96	Book 9	2009	5,292,170.17	5,309,242.35	57,087.69	40,015.51	2,381,476.00	2,389,158.48	1,194,579.24	264,344.09	25,689.46	18,006.98
97	Book 9	2010	4,548,538.01	4,558,684.31	40,015.51	29,869.21	2,046,841.79	2,051,407.63	1,025,703.82	227,199.79	18,006.98	13,441.14
98	Book 9	2011	3,744,352.74	3,751,762.60	29,869.21	22,459.35	1,684,958.53	1,688,292.96	844,146.48	187,030.59	13,441.14	10,106.71
99	Book 9	2012	786,737.53	790,622.23	22,459.35	18,574.65	354,032.81	355,780.93	177,890.46	39,297.47	10,106.71	8,358.59
100												
101		**Subtotal:**	**18,825,002.88**	**18,806,428.23**	**22,459.35**	**18,574.65**	**8,471,253.20**	**8,462,894.61**	**4,231,447.30**	**940,309.48**	**10,106.71**	**8,358.59**
102												
103	Book 10	2008	2,299,173.28	2,134,778.43	0.00	164,394.85	574,800.57	533,701.86	266,850.93	0.00	0.00	41,098.71
104	Book 10	2009	7,302,286.11	7,310,378.88	164,394.85	156,302.08	1,825,574.17	1,827,597.36	913,798.68	0.00	41,098.71	39,075.52
105	Book 10	2010	6,372,635.98	6,428,605.08	156,302.08	100,332.98	1,593,160.29	1,607,152.57	803,576.28	0.00	39,075.52	25,083.24
106	Book 10	2011	5,077,786.15	5,105,437.65	100,332.98	72,681.48	1,269,447.60	1,276,360.47	638,180.24	0.00	25,083.24	18,170.37
107	Book 10	2012	1,111,035.08	1,116,043.85	72,681.48	67,672.71	277,763.52	279,015.71	139,507.86	0.00	18,170.37	16,918.18
108												
109		**Subtotal:**	**22,162,916.60**	**22,095,243.89**	**72,681.48**	**67,672.71**	**5,540,746.15**	**5,523,827.97**	**2,761,913.99**	**0.00**	**18,170.37**	**16,918.18**
110												
111												
112		**Total:**	**312,981,922.21**	**312,735,656.62**	**327,161.10**	**246,265.59**	**136,409,350.75**	**136,312,065.77**	**68,156,032.87**	**14,526,413.54**	**132,686.20**	**97,284.98**

Filename "trust-Atrium.xls" - Worksheet "Contingency Rsv Release"

	A	B	C	D	E	F	G	H
1		**CONTINGENCY RESERVE CALCULATION - NC Ins. Code 58-10-135**						
2								
3		**Year Earned**	**Reserves**	**10 Years Released**	**Extraordinary Release in 2009**	**Extraordinary Release in 2010**	**Extraordinary Release in 2011**	**Extraordinary Release in 2012**
4								
5		2000	99	-	(99)	-	-	-
6		2001	1,284,549		(1,284,549)	-	-	-
7		2002	5,673,885		(5,673,885)	-	-	-
8		2003	9,186,465		(2,915,747)	(6,270,718)		
9		2004	9,728,929			(7,223,718)	(2,505,211)	
10		2005	7,846,161				(7,286,236)	(444,573)
11		2006	6,332,595					
12		2007	5,635,219					
13		2008	6,168,379					
14		2009	6,208,129					
15		2010	5,201,754					
16		2011	4,081,360					
17		2012	808,508					
18								
19		**Total:**	**68,156,033**	**-**	**(9,874,280)**	**(13,494,436)**	**(9,791,447)**	**(444,573)**
20			-					-
21								
22								
23		(d) With the approval of the Commissioner, withdrawals may be made from the contingency reser						
24		incurred loss expenses exceed the greater of either thirty-five percent (35%) of the net earned pr the amount which subsection (a) of this section requires to be contributed to the contingency rese basis, provisional withdrawals may be made from the contingency reserve in an amount not to ex						
25		the withdrawal calculated in accordance with this subsection.						
26								
27		**Reinsurance Losses Incurred - CY**						1,158,719
28								
29		**Reinsurance Premium Earned - CY**						1,617,016
30								
31		(A */* B) LR =						71.7%
32								
33		**Extraordinary Release of Contingency Reserve**						
34								
35		A - [B X 35%]						592,764
36		**Qtr (enter "1", "2", "3" or "4")**						1
37		(Use only if > 0)						444,573

Filename "trust-Atrium.xls" - Worksheet "Contingency Rsv Release"

	I	J	K
1			
2			
3	**Net Reserve Balances**		
4			
5	-		
6	-		
7	-		
8	-		
9	-		
10	115,352		
11	6,332,595		
12	5,635,219		
13	6,168,379		
14	6,208,129		
15	5,201,754		
16	4,081,360		
17	808,508		
18			
19	**34,551,297**		
20	(0)		
21			
22			
23	ve when incurred losses and		
24	emium or seventy percent (70%) of rve in such year. On a quarterly ceed seventy-five percent (75%) of		
25			
26			
27	A		
28			
29	B		
30			
31			
32			
33			
34			
35			
36	Q1-3 "Provisional"		
37			

	A	B	C	D	E	F
1	**Period**	**Reins Reserves and IBNR**	**Reins Paid Losses**	**Total Loss Incurred**	**Increased / Decreased by**	
2	9/30/2008	344,749	-	344,749	-	-
3	12/31/2008	2,251,621	-	2,251,621	1,906,872	553%
4	3/31/2009	5,293,548	-	5,293,548	3,041,927	135%
5	6/30/2009	9,396,009	-	9,396,009	4,102,461	77%
6	9/30/2009	12,587,984	-	12,587,984	3,191,975	34%
7	12/31/2009	15,800,400	671,192	16,471,592	3,883,608	31%
8	3/31/2010	17,049,377	2,229,082	19,278,459	2,806,867	17%
9	6/30/2010	17,553,158	4,051,560	21,604,718	2,326,259	12%
10	9/30/2010	17,643,443	7,762,309	25,405,753	3,801,035	18%
11	12/31/2010	22,380,657	11,226,598	33,607,255	8,201,503	32%
12	3/31/2011	22,984,335	13,240,450	36,224,786	2,617,530	8%
13	6/30/2011	26,569,159	16,685,864	43,255,023	7,030,237	19%
14	9/30/2011	24,078,391	20,707,685	44,786,076	1,531,053	4%
15	12/31/2011	22,354,066	23,901,589	46,255,655	1,469,579	3%
16	3/31/2012	18,843,138	28,571,236	47,414,374	1,158,719	3%

EXHIBIT J

	A	B	C	D	E	F	G	H	I	J	K
1	Radian Guaranty, Inc.										
2	Cendant/Atrium Insurance Corp.										
3	EARNED PREMIUM CALCULATION				Mar-09						
4	05/06/09										
5	10:36 AM										
6											
7											
8											
9	**2004 UNDERWRITING YEAR**										
10				**GROSS**	**GROSS**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**
11		**ETD NIW**	**CURR MO**	**CURRENT**	**ETD**	**CURRENT**	**ETD**	**UNEARNED**	**ETD**	**CURRENT**	**LOSS**
12	**MONTH**	**VOLUME**	**NIW VOLUME**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**EARNED**	**EARNED**	**INCURRED**
13											
14	Aug-04	8,278,142	8,278,142	16,426.69	16,426.69	6,570.70	6,570.70	255 91	6,314.79	6,314.79	-
15	Sep-04	26,179,808	17,901,666	36,483.71	52,910.40	14,593.48	21,164.18	216 51	20,947.67	14,632.88	-
16	Oct-04	30,009,582	3,829,774	9,480.08	62,390.48	3,792.05	24,956.23	808 31	24,147.92	3,200.25	-
17	Nov-04	34,674,132	4,664,550	19,451.95	81,842.43	7,780.73	32,736.96	1,683 23	31,053.73	6,905.81	-
18	Dec-04	41,720,825	7,046,693	29,025.03	110,867.46	11,610.01	44,346.97	852 92	43,494.05	12,440.32	-
19	Jan-05	64,962,245	23,241,420	61,563.42	172,430.88	24,625.34	68,972.31	1,231.75	67,740.56	24,246.51	-
20	Feb-05	67,608,345	2,646,100	37,832.24	210,263.12	15,132.86	84,105.17	1,094.75	83,010.42	15,269.86	-
21	Mar-05	67,322,290	(286,055)	46,437.05	256,700.17	18,574.76	102,679.93	957 59	101,722.34	18,711.92	-
22	Apr-05	70,032,690	2,710,400	56,699.86	313,400.03	22,679.86	125,359.79	336.42	125,023.37	23,301.03	-
23	May-05	73,055,490	3,022,800	62,684.63	376,084.66	25,073.80	150,433.59	291 58	150,142.01	25,118.64	-
24	Jun-05	78,538,307	5,482,817	100,754.21	476,838.87	40,301.61	190,735.20	13,772.54	176,962.66	26,820.65	-
25	Jul-05	78,538,307	-	43,258.38	520,097.25	17,303.22	208,038.42	13,602.97	194,435.45	17,472.79	-
26	Aug-05	81,550,117	3,011,810	74,946.93	595,044.18	29,978.63	238,017.05	20,153.63	217,863.42	23,427.97	-
27	Sep-05	84,731,317	3,181,200	101,235.70	696,279.88	40,494.12	278,511.17	19,920.00	258,591.17	40,727.75	-
28	Oct-05	84,731,317	-	34,797.92	731,077.80	13,919.05	292,430.22	19,680.10	272,750.12	14,158.95	-
29	Nov-05	84,731,317	-	25,270.15	756,347.95	10,107.99	302,538.21	15,951.33	286,586.88	13,836.76	-
30	Dec-05	84,731,317	-	54,160.79	810,508.74	21,664.20	324,202.41	15,763.31	308,439.10	21,852.22	-
31	Jan-06	85,056,912	325,595	38,966.20	849,474.94	15,586.40	339,788.81	15,575.76	324,213.05	15,773.95	-
32	Feb-06	85,056,912	-	34,680.21	884,155.15	13,872.00	353,660.81	15,388.17	338,272.64	14,059.59	-
33	Mar-06	85,056,912	-	42,232.38	926,387.53	16,892.85	370,553.66	15,200.63	355,353.03	17,080.39	-
34	Apr-06	85,056,912	-	24,829.50	951,217.03	9,931.73	380,485.39	12,199.28	368,286.11	12,933.08	-
35	May-06	81,729,212	(3,327,700)	(24,401.66)	926,815.37	(9,760.75)	370,724.64	12,030.15	358,694.49	(9,591.62)	-
36	Jun-06	81,729,212	-	33,845.86	960,661.23	13,538.26	384,262.90	11,861.04	372,401.86	13,707.37	-
37	Jul-06	81,729,212	-	31,861.85	992,523.08	12,744.66	397,007.56	11,691.52	385,316.04	12,914.18	-
38	Aug-06	81,729,212	-	31,453.61	1,023,976.69	12,581.36	409,588.92	11,522.11	398,066.81	12,750.77	-
39	Sep-06	81,729,212	-	27,798.25	1,051,774.94	11,119.20	420,708.12	11,348.38	409,359.74	11,292.93	-
40	Oct-06	81,729,212	-	24,788.14	1,076,563.08	9,915.17	430,623.29	9,059.05	421,564.24	12,204.50	-
41	Nov-06	81,729,212	-	23,133.82	1,099,696.90	9,253.43	439,876.72	7,535 52	432,341.20	10,776.96	-
42	Dec-06	81,729,212	-	29,090.39	1,128,787.29	11,636.07	451,512.79	7,407 21	444,105.58	11,764.38	-
43	Jan-07	81,729,212	-	25,269.75	1,154,057.04	10,107.83	461,620.62	7,278.75	454,341.87	10,236.29	-
44	Feb-07	81,729,212	-	25,655.23	1,179,712.27	10,262.03	471,882.65	7,150 35	464,732.30	10,390.43	-
45	Mar-07	81,729,212	-	22,624.26	1,202,336.53	9,049.63	480,932.28	7,021 59	473,910.69	9,178.39	-
46	Apr-07	81,729,212	-	20,483.94	1,222,820.47	8,193.50	489,125.78	5,485 29	483,640.49	9,729.80	-
47	May-07	81,729,212	-	25,565.03	1,248,385.50	10,225.96	499,351.74	5,386 11	493,965.63	10,325.14	-
48	Jun-07	81,729,212	-	22,563.67	1,270,949.17	9,025.40	508,377.14	5,287 12	503,090.02	9,124.39	-
49	Jul-07	81,370,012	(359,200)	17,253.61	1,288,202.78	6,901.39	515,278.53	5,188 23	510,090.30	7,000.28	-
50	Aug-07	81,370,012	-	22,498.82	1,310,701.60	8,999.46	524,277.99	3,996 93	520,281.06	10,190.76	-
51	Sep-07	78,756,957	(2,613,055)	(57,515.40)	1,253,186.20	(23,006.23)	501,271.76	3,918.63	497,353.13	(22,927.93)	-
52	Oct-07	81,370,012	2,613,055	106,545.23	1,359,731.43	42,618.05	543,889.81	3,840 27	540,049.54	42,696.41	-
53	Nov-07	81,111,262	(258,750)	17,740.08	1,377,471.51	7,096.00	550,985.81	3,763 36	547,222.45	7,172.91	-
54	Dec-07	81,111,262	-	22,445.45	1,399,916.96	8,978.12	559,963.93	3,687.44	556,276.49	9,054.04	-
55	Jan-08	81,111,262	-	20,809.30	1,420,726.26	8,323.63	568,287.56	3,611 15	564,676.41	8,399.92	-
56	Feb-08	81,111,262	-	20,339.95	1,441,066.21	8,135.89	576,423.45	3,535 25	572,888.20	8,211.79	-
57	Mar-08	81,111,262	-	19,971.87	1,461,038.08	7,988.66	584,412.11	3,459 20	580,952.91	8,064.71	-
58	Apr-08	81,229,862	118,600	24,468.94	1,485,507.02	9,787.48	594,199.59	3,389.70	590,809.89	9,856.98	-
59	May-08	81,229,862	-	18,521.99	1,504,029.01	7,408.71	601,608.30	3,319 91	598,288.39	7,478.50	-
60	Jun-08	81,229,862	-	19,141.74	1,523,170.75	7,656.61	609,264.91	3,250 50	606,014.41	7,726.02	-
61	Jul-08	81,229,862	-	18,386.17	1,541,556.92	7,354.39	616,619.30	3,180.72	613,438.58	7,424.17	-
62	Aug-08	80,824,862	(405,000)	10,816.31	1,552,373.23	4,326.45	620,945.75	3,111 16	617,834.59	4,396.01	-
63	Sep-08	80,824,862	-	18,511.95	1,570,885.18	7,404.69	628,350.44	3,041 27	625,309.17	7,474.58	-
64	Oct-08	80,824,862	-	18,295.07	1,589,180.25	7,317.95	635,668.39	2,971.86	632,696.53	7,387.36	-
65	Nov-08	80,824,862	-	19,004.02	1,608,184.27	7,601.52	643,269.91	2,904.69	640,365.22	7,668.69	-
66	Dec-08	80,824,862	-	17,235.62	1,625,419.89	6,894.16	650,164.07	2,839.48	647,324.59	6,959.37	-
67	Jan-09	86,748,167	5,923,305	310,372.29	1,935,792.18	124,148.83	774,312.90	2,773 93	771,538.97	124,214.38	-
68	Feb-09	86,748,167	-	24,603.37	1,960,395.55	9,841.28	784,154.18	2,708.72	781,445.46	9,906.49	-
69	Mar-09	86,748,167	-	22,222.28	1,982,617.83	8,888.85	793,043.03	2,643 17	790,399.86	8,954.40	-
70											

TOTAL		86,748,167.00	1,982,617.83		793,043.03		2,643 17	22,656,137.60	790,399.86	-

2005 UNDERWRITING YEAR

MONTH	ETD NIW VOLUME	CURR MO NIW VOLUME	GROSS CURRENT PREMIUM	GROSS ETD PREMIUM	REINSURED CURRENT PREMIUM	REINSURED ETD PREMIUM	REINSURED UNEARNED PREMIUM	REINSURED ETD EARNED	REINSURED CURRENT EARNED	REINSURED LOSS INCURRED
Jan-05	2,616,700	2,616,700	446.80	446.80	178.72	178.72	-	178.72	178.72	-
Feb-05	7,197,135	4,580,435	1,957.69	2,404.49	783.08	961.80	-	961.80	783.08	-
Mar-05	11,321,776	4,124,641	5,717.88	8,122.37	2,287.14	3,248.94	-	3,248.94	2,287.14	-
Apr-05	21,973,741	10,651,965	13,170.75	21,293.12	5,268.27	8,517.21	-	8,517.21	5,268.27	-
May-05	26,114,376	4,140,635	10,630.86	31,923.98	4,252.34	12,769.55	-	12,769.55	4,252.34	-
Jun-05	46,564,464	20,450,088	71,548.41	103,472.39	28,619.28	41,388.83	9,883.05	31,505.78	18,736.23	-
Jul-05	52,073,074	5,508,610	29,417.31	132,889.70	11,766.84	53,155.67	9,821 99	43,333.68	11,827.90	-
Aug-05	79,374,443	27,301,369	122,319.03	255,208.73	48,927.50	102,083.17	12,431.02	89,652.15	46,318.47	-
Sep-05	108,282,406	28,907,963	88,052.55	343,261.28	35,220.82	137,303.99	12,353.87	124,950.12	35,297.97	-
Oct-05	115,900,811	7,618,405	66,015.40	409,276.68	26,406.00	163,709.99	12,276.78	151,433.21	26,483.09	-
Nov-05	122,317,968	6,417,157	70,921.55	480,198.23	28,368.45	192,078.44	12,200.13	179,878.31	28,445.10	-
Dec-05	127,079,464	4,761,496	83,160.46	563,358.69	33,263.99	225,342.43	12,122.99	213,219.44	33,341.13	-
Jan-06	156,128,323	29,048,859	161,280.91	724,639.60	64,512.16	289,854.59	12,804.52	277,050.07	63,830.63	-
Feb-06	156,789,785	661,462	97,468.92	822,108.52	38,987.27	328,841.86	12,690.43	316,151.43	39,101.36	-
Mar-06	158,327,060	1,537,275	105,155.78	927,264.30	42,062.02	370,903.88	12,546.61	358,357.27	42,205.84	-
Apr-06	157,848,060	(479,000)	94,625.86	1,021,890.16	37,850.08	408,753.96	12,403.39	396,350.57	37,993.30	-
May-06	157,848,060	-	100,751.68	1,122,641.84	40,300.41	449,054.37	12,260.07	436,794.30	40,443.73	-
Jun-06	158,071,060	223,000	97,871.64	1,220,513.48	39,148.35	488,202.72	12,116.88	476,085.84	39,291.54	-
Jul-06	158,071,060	-	89,387.06	1,309,900.54	35,754.57	523,957.29	9,546 38	514,410.91	38,325.07	-
Aug-06	170,589,279	12,518,219	170,026.51	1,479,927.05	68,010.34	591,967.63	9,432 14	582,535.49	68,124.58	-
Sep-06	172,879,722	2,290,443	117,827.37	1,597,754.42	47,130.67	639,098.30	12,025.98	627,072.32	44,536.83	-
Oct-06	172,879,722	-	101,941.98	1,699,696.40	40,776.54	679,874.84	11,880.61	667,994.23	40,921.91	-
Nov-06	172,879,722	-	95,350.32	1,795,046.72	38,139.89	718,014.73	11,731.47	706,283.26	38,289.03	-
Dec-06	172,879,722	-	100,516.71	1,895,563.43	40,206.43	758,221.16	11,582.41	746,638.75	40,355.49	-
Jan-07	173,075,422	195,700	95,222.88	1,990,786.31	38,088.88	796,310.04	10,373.27	785,936.77	39,298.02	-
Feb-07	173,075,422	-	90,855.30	2,081,641.61	36,341.84	832,651.88	10,225.11	822,426.77	36,490.00	-
Mar-07	173,075,422	-	90,110.49	2,171,752.10	36,043.90	868,695.78	10,068.97	858,626.81	36,200.04	-
Apr-07	173,075,422	-	91,060.23	2,262,812.33	36,423.81	905,119.59	9,912.47	895,207.12	36,580.31	-
May-07	173,075,422	-	92,131.06	2,354,943.39	36,852.13	941,971.72	9,756 21	932,215.51	37,008.39	-
Jun-07	173,075,422	-	88,163.31	2,443,106.70	35,265.04	977,236.76	9,599.72	967,637.04	35,421.53	-
Jul-07	173,075,422	-	86,724.17	2,529,830.87	34,689.40	1,011,926.16	9,443.21	1,002,482.95	34,845.91	-
Aug-07	173,075,422	-	85,913.06	2,615,743.93	34,364.95	1,046,291.11	9,281.53	1,037,009.58	34,526.63	-
Sep-07	166,033,866	(7,041,556)	(129,241.22)	2,486,502.71	(51,696.80)	994,594.31	9,119 57	985,474.74	(51,534.84)	-
Oct-07	173,075,422	7,041,556	314,995.79	2,801,498.50	125,998.05	1,120,592.36	8,956.22	1,111,636.14	126,161.40	-
Nov-07	173,075,422	-	75,920.32	2,877,418.82	30,367.92	1,150,960.28	8,791.09	1,142,169.19	30,533.05	-
Dec-07	173,075,422	-	84,602.25	2,962,021.07	33,840.67	1,184,800.95	8,625.57	1,176,175.38	34,006.19	-
Jan-08	173,075,422	-	82,587.26	3,044,608.33	33,034.66	1,217,835.61	8,306.71	1,209,528.90	33,353.52	-
Feb-08	173,075,422	-	81,624.72	3,126,233.05	32,649.67	1,250,485.28	8,153.58	1,242,331.70	32,802.80	-
Mar-08	173,003,422	(72,000)	74,129.89	3,200,362.94	29,651.76	1,280,137.04	6,343.34	1,273,793.70	31,462.00	-
Apr-08	173,003,422	-	88,935.13	3,289,298.07	35,573.88	1,315,710.92	5,799.66	1,309,911.26	36,117.56	-
May-08	172,928,475	(74,947)	69,414.77	3,358,712.84	27,765.70	1,343,476.62	5,688.40	1,337,788.22	27,876.96	-
Jun-08	172,928,475	-	78,376.00	3,437,088.84	31,350.20	1,374,826.82	5,577.56	1,369,249.26	31,461.04	-
Jul-08	172,669,725	(258,750)	71,024.48	3,508,113.32	28,409.58	1,403,236.40	5,466.36	1,397,770.04	28,520.78	-
Aug-08	163,494,470	(9,175,255)	(121,375.76)	3,386,737.56	(48,550.48)	1,354,685.92	5,355.47	1,349,330.45	(48,439.59)	-
Sep-08	163,494,470	-	70,015.29	3,456,752.85	28,005.91	1,382,691.83	4,662.08	1,378,029.75	28,699.30	-
Oct-08	163,153,370	(341,100)	62,209.54	3,518,962.39	24,883.61	1,407,575.44	4,563.59	1,403,011.85	24,982.10	-
Nov-08	163,153,370	-	68,497.55	3,587,459.94	27,398.81	1,434,974.25	4,466.23	1,430,508.02	27,496.17	-
Dec-08	163,153,370	-	67,488.14	3,654,948.08	26,995.07	1,461,969.32	4,368.68	1,457,600.64	27,092.62	-
Jan-09	167,787,349	4,633,979	237,440.73	3,892,388.81	94,976.11	1,556,945.43	4,277.98	1,552,667.45	95,066.81	-
Feb-09	167,655,949	(131,400)	69,433.84	3,961,822.65	27,773.36	1,584,718.79	4,187.59	1,580,531.20	27,863.75	-
Mar-09	167,524,824	(131,125)	67,420.84	4,029,243.49	26,968.16	1,611,686.95	3,756.17	1,607,930.78	27,399.58	-
TOTAL		167,524,824.00	4,029,243.49		1,611,686.95		3,756 17	39,582,354.57	1,607,930.78	-

2006 UNDERWRITING YEAR

MONTH	ETD NIW VOLUME	CURR MO NIW VOLUME	GROSS CURRENT PREMIUM	GROSS ETD PREMIUM	REINSURED CURRENT PREMIUM	REINSURED ETD PREMIUM	REINSURED UNEARNED PREMIUM	REINSURED ETD EARNED	REINSURED CURRENT EARNED	REINSURED LOSS INCURRED
Jan-06	538,000	538,000	-	-	-	-	-	-	-	-
Feb-06	3,734,932	3,196,932	1140.81	1,140.81	456.31	456.31	-	456.31	456.31	-

	A	B	C	D	E	F	G	H	I	J	K
141	Mar-06	6848357	3,113,425	3244.66	4,385.47	1297.87	1,754.18	-	1,754.18	1,297.87	-
142	Apr-06	18,002,340	11,153,983	10,377.46	14,762.93	4,150.99	5,905.17	-	5,905.17	4,150.99	-
143	May-06	21,676,970	3,674,630	10,296.71	25,059.64	4,118.65	10,023.82	-	10,023.82	4,118.65	-
144	Jun-06	28,115,250	6,438,280	13,470.55	38,530.19	5,388.24	15,412.06	-	15,412.06	5,388.24	-
145	Jul-06	32,232,236	4,116,986	17,241.44	55,771.63	6,896.57	22,308.63	-	22,308.63	6,896.57	-
146	Aug-06	45,188,158	12,955,922	50,344.19	106,115.82	20,137.64	42,446.27	-	42,446.27	20,137.64	-
147	Sep-06	58,253,702	13,065,544	50,178.23	156,294.05	20,071.26	62,517.53	878.46	61,639.07	19,192.80	-
148	Oct-06	63,256,915	5,003,213	41,174.58	197,468.63	16,469.77	78,987.30	872 99	78,114.31	16,475.24	-
149	Nov-06	72,989,800	9,732,885	84,884.34	282,352.97	33,953.71	112,941.01	867.61	112,073.40	33,959.09	-
150	Dec-06	83,599,302	10,609,502	63,850.25	346,203.22	25,540.08	138,481.09	862 23	137,618.86	25,545.46	-
151	Jan-07	91,205,487	7,606,185	86,352.79	432,556.01	34,541.08	173,022.17	852.40	172,169.77	34,550.91	-
152	Feb-07	91,321,487	116,000	56,858.48	489,414.49	22,743.33	195,765.50	842.67	194,922.83	22,753.06	-
153	Mar-07	92,392,669	1,071,182	67,702.63	557,117.12	27,081.03	222,846.53	832 94	222,013.59	27,090.76	-
154	Apr-07	92,207,669	(185,000)	65,469.07	622,586.19	26,187.62	249,034.15	823 20	248,210.95	26,197.36	-
155	May-07	93,155,802	948,133	44,943.80	667,529.99	17,977.49	267,011.64	864 93	266,146.71	17,935.76	-
156	Jun-07	93,155,802	-	64,848.48	732,378.47	25,939.39	292,951.03	840.48	292,110.55	25,963.84	-
157	Jul-07	93,155,802	-	58,624.58	791,003.05	23,449.80	316,400.83	816.05	315,584.78	23,474.23	-
158	Aug-07	94,493,852	1,338,050	72,855.32	863,858.37	29,142.09	345,542.92	791.63	344,751.29	29,166.51	-
159	Sep-07	92,543,752	(1,950,100)	30,365.97	894,224.34	12,146.34	357,689.26	942.42	356,746.84	11,995.55	-
160	Oct-07	92,660,272	116,520	65,439.76	959,664.10	26,175.86	383,865.12	918.08	382,947.04	26,200.20	-
161	Nov-07	92,024,628	(635,644)	50,893.40	1,010,557.50	20,357.33	404,222.45	893.76	403,328.69	20,381.65	-
162	Dec-07	92,024,628	-	56,852.76	1,067,410.26	22,741.05	426,963.50	869.41	426,094.09	22,765.40	-
163	Jan-08	92,024,628	-	56,243.23	1,123,653.49	22,497.25	449,460.75	842 96	448,617.79	22,523.70	-
164	Feb-08	92,024,628	-	54,320.61	1,177,974.10	21,728.18	471,188.93	816 50	470,372.43	21,754.64	-
165	Mar-08	89,913,778	(2,110,850)	23,866.55	1,201,840.65	9,546.55	480,735.48	790.02	479,945.46	9,573.03	-
166	Apr-08	89,431,378	(482,400)	53,781.03	1,255,621.68	21,512.36	502,247.84	763.47	501,484.37	21,538.91	-
167	May-08	88,436,418	(994,960)	34,694.98	1,290,316.66	13,877.97	516,125.81	737.01	515,388.80	13,904.43	-
168	Jun-08	88,436,418	-	50,063.41	1,340,380.07	20,025.28	536,151.09	674.04	535,477.05	20,088.25	-
169	Jul-08	92,739,386	4,302,968	126,215.81	1,466,595.88	50,486.24	586,637.33	662.09	585,975.24	50,498.19	-
170	Aug-08	90,128,511	(2,610,875)	15,725.71	1,482,321.59	6,290.27	592,927.60	650 22	592,277.38	6,302.14	-
171	Sep-08	90,128,511	-	51,169.52	1,533,491.11	20,467.77	613,395.37	638 36	612,757.01	20,479.63	-
172	Oct-08	89,982,511	(146,000)	48,209.66	1,581,700.77	19,283.83	632,679.20	626.40	632,052.80	19,295.79	-
173	Nov-08	89,676,011	(306,500)	48,335.13	1,630,035.90	19,334.04	652,013.24	614 53	651,398.71	19,345.91	-
174	Dec-08	89,676,011	-	45,645.34	1,675,681.24	18,258.12	670,271.36	602 57	669,668.79	18,270.08	-
175	Jan-09	91,291,416	1,615,405	82,404.99	1,758,086.23	32,962.00	703,233.36	591 54	702,641.82	32,973.03	-
176	Feb-09	91,291,416	-	51,562.81	1,809,649.04	20,625.12	723,858.48	580 51	723,277.97	20,636.15	-
177	Mar-09	92,444,016	1,152,600	69,677.66	1,879,326.70	27,871.08	751,729.56	569.48	751,160.08	27,882.11	-
178											
179	TOTAL		92,444,016.00	1,879,326.70		751,729.56		569.48	12,985,274.91	751,160.08	-
180											
181											
182	**2007 UNDERWRITING YEAR**										
183				**GROSS**	**GROSS**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**
184		**ETD NIW**	**CURR MO**	**CURRENT**	**ETD**	**CURRENT**	**ETD**	**UNEARNED**	**ETD**	**CURRENT**	**LOSS**
185	**MONTH**	**VOLUME**	**NIW VOLUME**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**EARNED**	**EARNED**	**INCURRED**
186											
187	Jan-07	1,630,720.00	1,630,720	233.00	233.00	93.20	93.20	0.00	93.20	93.20	0.00
188	Feb-07	2,886,370.00	1,255,650	748.66	981.66	299.47	392.67	0.00	392.67	299.47	0.00
189	Mar-07	7,680,585.00	4,794,215	3,195.23	4,176.89	1,278.09	1,670.76	0.00	1,670.76	1,278.09	0.00
190	Apr-07	11,011,800.00	3,331,215	5,498.96	9,675.85	2,199.59	3,870.35	0.00	3,870.35	2,199.59	0.00
191	May-07	21,028,988.00	10,017,188	9,336.52	19,012.37	3,734.62	7,604.97	0.00	7,604.97	3,734.62	0.00
192	Jun-07	30,420,828.00	9,391,840	10,741.59	29,753.96	4,296.62	11,901.59	0.00	11,901.59	4,296.62	0.00
193	Jul-07	34,357,378.00	3,936,550	16,692.28	46,446.24	6,676.91	18,578.50	0.00	18,578.50	6,676.91	0.00
194	Aug-07	50,668,327.00	16,310,949	37,852.71	84,298.95	15,141.10	33,719.60	0.00	33,719.60	15,141.10	0.00
195	Sep-07	63,746,422.00	13,078,095	33,353.01	117,651.96	13,341.17	47,060.77	0.00	47,060.77	13,341.17	0.00
196	Oct-07	71,638,747.00	7,892,325	43,906.20	161,558.16	17,562.44	64,623.21	0.00	64,623.21	17,562.44	0.00
197	Nov-07	82,823,201.00	11,184,454	77,198.90	238,757.06	30,879.51	95,502.72	1,974.80	93,527.92	28,904.71	0.00
198	Dec-07	89,121,774.00	6,298,573	54,705.58	293,462.64	21,882.18	117,384.90	1,991.62	115,393.28	21,865.36	0.00
199	Jan-08	98,498,944.00	9,377,170	59,034.12	352,496.76	23,613.57	140,998.47	0.00	140,998.47	25,605.19	0.00
200	Feb-08	104,832,290.00	6,333,346	105,381.62	457,878.38	42,152.54	183,151.01	5,634.50	177,516.51	36,518.04	0.00
201	Mar-08	104,248,635.00	(583,655)	67,237.43	525,115.81	26,894.85	210,045.86	5,595.96	204,449.90	26,933.39	0.00
202	Apr-08	104,248,635.00	-	72,905.31	598,021.12	29,162.03	239,207.89	5,557.86	233,650.03	29,200.13	0.00
203	May-08	104,248,635.00	-	59,514.67	657,535.79	23,805.76	263,013.65	5,519.62	257,494.03	23,844.00	0.00
204	Jun-08	107,332,535.00	3,083,900	79,761.90	737,297.69	31,904.66	294,918.31	5,481.08	289,437.23	31,943.20	0.00
205	Jul-08	110,036,535.00	2,704,000	106,020.21	843,317.90	42,407.95	337,326.26	5,442.98	331,883.28	42,446.05	0.00
206	Aug-08	110,444,940.00	408,405	73,727.87	917,045.77	29,491.01	366,817.27	5,404.74	361,412.53	29,529.25	0.00
207	Sep-08	110,444,940.00	-	68,447.82	985,493.59	27,378.99	394,196.26	5,366.20	388,830.06	27,417.53	0.00
208	Oct-08	110,036,535.00	(408,405)	65,095.56	1,050,589.15	26,038.10	420,234.36	5,328.09	414,906.27	26,076.21	0.00
209	Nov-08	110,844,990.00	808,455	78,406.61	1,128,995.76	31,362.53	451,596.89	5,279.69	446,317.20	31,410.93	0.00
210	Dec-08	110,844,990.00	-	70,260.65	1,199,256.41	28,104.12	479,701.01	5,210.20	474,490.81	28,173.61	0.00

	A	B	C	D	E	F	G	H	I	J	K
211	Jan-09	111,695,067.00	850,077	72,520.90	1,271,777.31	29,008.21	508,709.22	5,141.12	503,568.10	29,077.29	0.00
212	Feb-09	111,695,067.00	-	68,005.28	1,339,782.59	27,201.96	535,911.18	5,072.06	530,839.12	27,271.02	0.00
213	Mar-09	114,465,577.00	2,770,510	112,330.03	1,452,112.62	44,931.93	580,843.11	5,002.87	575,840.24	45,001.12	0.00
214											
215	TOTAL		114,465,577.00	1,452,112.62		580,843.11		5,002.87	5,730,070.60	575,840.24	-
216											
217											
218	**2008 UNDERWRITING YEAR**										
219				**GROSS**	**GROSS**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**	**REINSURED**
220		**ETD NIW**	**CURR MO**	**CURRENT**	**ETD**	**CURRENT**	**ETD**	**UNEARNED**	**ETD**	**CURRENT**	**LOSS**
221	**MONTH**	**VOLUME**	**NIW VOLUME**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**PREMIUM**	**EARNED**	**EARNED**	**INCURRED**
222											
223	Jan-08	2,614,350.00	2,614,350	113.76	113.76	45.50	45.50	0.00	45.50	45.50	0.00
224	Feb-08	13,477,676.00	10,863,326	3,068.45	3,182.21	1,227.39	1,272.89	610.00	662.89	617.39	0.00
225	Mar-08	22,682,019.00	9,204,343	7,237.13	10,419.34	2,894.86	4,167.75	606.42	3,561.33	2,898.44	0.00
226	Apr-08	28,630,623.00	5,948,604	11,851.08	22,270.42	4,740.44	8,908.19	602.78	8,305.41	4,744.08	0.00
227	May-08	35,244,378.00	6,613,755	16,462.10	38,732.52	6,584.82	15,493.01	599.20	14,893.81	6,588.40	0.00
228	Jun-08	40,740,010.00	5,495,632	18,013.09	56,745.61	7,205.22	22,698.23	595.62	22,102.61	7,208.80	0.00
229	Jul-08	46,166,360.00	5,426,350	23,469.32	80,214.93	9,387.70	32,085.93	591.98	31,493.95	9,391.34	0.00
230	Aug-08	38,521,600.00	(7,644,760)	20,060.09	100,275.02	8,024.00	40,109.93	588.40	39,521.53	8,027.58	0.00
231	Sep-08	38,831,600.00	310,000	22,654.29	122,929.31	9,061.68	49,171.61	584.82	48,586.79	9,065.26	0.00
232	Oct-08	38,831,600.00	-	20,329.42	143,258.73	8,131.73	57,303.34	581.18	56,722.16	8,135.37	0.00
233	Nov-08	44,068,927.00	5,237,327	44,546.70	187,805.43	17,818.65	75,121.99	577.60	74,544.39	17,822.23	0.00
234	Dec-08	44,068,927.00	-	23,348.55	211,153.98	9,339.42	84,461.41	574.02	83,887.39	9,343.00	0.00
235	Jan-09	61,264,576.00	17,195,649	50,391.33	261,545.31	20,156.53	104,617.94	1,057.75	103,560.19	19,672.80	0.00
236	Feb-09	61,264,576.00	-	29,620.23	291,165.54	11,848.09	116,466.03	1,048.27	115,417.76	11,857.57	0.00
237	Mar-09	43,293,677.00	(17,970,899)	-20,536.68	270,628.86	-8,214.71	108,251.32	1,038.85	107,212.47	(8,205.29)	0.00
238											
239	TOTAL		43,293,677.00	270,628.86		108,251.32		1,038.85	710,518.18	107,212.47	-
240											

Filename "1QTR 2009" - Worksheet "Cendant MTD"

Radian Guaranty, Inc.
Cendant/Atrium Insurance Corp.
REPORTING PERIOD COVERED: Mar-09
05/06/09
10:35 AM

U/W YEAR	AGGREGATE GROSS WRITTEN PREMIUMS	REINSURANCE PREMIUMS	GROSS REINS %	NET CEDING COMMISSION	REINSURANCE PREMIUMS
2004	357,197.94	142,878.96	40.00%	-	142,878.96
2005	374,295.41	149,717.63	40.00%	-	149,717.63
2006	203,645.46	81,458.20	40.00%	-	81,458.20
2007	252,856.21	101,142.10	40.00%	-	101,142.10
2008	59,474.88	23,789.91	40.00%	-	23,789.91
TOTAL	1,247,469.90	498,986.80		-	498,986.80

U/W YEAR	CUMULATIVE U/W YEAR CLAIMS PAID	CUMULATIVE U/W YEAR CASE RESERVES	CUMULATIVE U/W YEAR NET LOSSES	AGGREGATE RISK	CUMULATIVE U/W YEAR NET LOSS %	REINSURER CASE RESERVES	CUMULATIVE U/W YEAR CLAIM PAID %	EVER TO DAT REINSURANC CLAIM PAYMENT DUE
2004	704,712.23	406,494.47	1,111,206.70	24,472,928.78	4.54%	132,289.55	2.88%	0.00
2005	1,919,970.19	1,645,562.35	3,565,532.54	47,880,504.10	7.45%	1,645,562.35	4.01%	4,750.03
2006	775,364.57	1,627,394.43	2,402,759.00	25,942,543.36	9.26%	1,365,057.27	2.99%	0.00
2007	139,203.64	1,774,618.43	1,913,822.07	31,313,165.25	6.11%	661,295.46	0.44%	0.00
2008	-	249,454.32	249,454.32	10,592,103.60	2.36%	0.00	0.00%	0.00
TOTAL	3,539,250.63	5,703,524.00	9,242,774.63	140,201,245.09	6.59%	3,804,204.63	2.52%	4,750.03

NET REINSURANCE PREMIUMS DUE TO ATRIUM INSURANCE	498,986.80
PREMIUM TAXES	-
ETD REINSURANCE CLAIM PAYMENTS DUE TO RADIAN	4,750.03
LESS: REINSURANCE CLAIM PAYMENTS PAID PREVIOUSLY	-
NET PAYMENT DUE TO ATRIUM INSURANCE TRUST ACCOUNT	498,986.80
NET PAYMENT DUE TO RADIAN REINSURANCE CO.	(4,750.03)

ATRIUM INSURANCE RISK CALCULATION		2004 BOOK	2005 BOOK	2006 BOOK	2007 BOOK	2008 BOOK
INITIAL AGGREGATE RISK		2,447,292.88	4,788,050.41	2,594,254.34	3,131,316.53	1,059,210.36
LESS: ETD REINS CLAIM PMTS		-	4,750.03	-	-	-
NET AGGR RISK REMAIN AS OF:	April-09	2,447,292.88	4,783,300.38	2,594,254.34	3,131,316.53	1,059,210.36
MINIMUM THRESHOLD AS OF:	April-09	978,917.15	1,915,220.16	1,037,701.73	1,252,526.61	423,684.14
MAXIMUM THRESHOLD AS OF:	April-09	3,426,210.03	6,698,520.54	3,631,956.07	4,383,843.14	1,482,894.50
FIRST LOSS LAYER PERCENTAGE		4.00%	4.00%	4.00%	4.00%	4.00%
COVERAGE PERCENTAGE		10.00%	10.00%	10.00%	10.00%	10.00%

	A	B	C	D	E	F	G
1	Cendant/Atrium Insurance Corp.						
2	Trust Account Calculation						
3	For the period ending:		**03/31/09**				
4	Calculated as of:		**03/31/09**				
5							
6						TOTAL	
7							
8	Aggregate Risk Exposure					14,020,124.52	
9							
10	**Trust Net Amount Calculation** (A)						
11	Trust Balance		03/31/09			$ 3,952,330.62	
12	Premiums for quarter of:		03/31/09			498,986.80	
13	Federal Income Tax Payable (A) 35%					(1,341,390.20)	
14							
15	Total Balance net of FIT					3,109,927.22	
16							
17	**Disbursement Funds Requirements**						
18							
19	A) 50% of Earned Premiums (Contingency reserve)					1,916,271.72	
20							
21	(i) 20% of Initial Risk in Force				2,804,024.90		
22							
23	B) excess (i)-(A)					887,753.19	
24							
25	(i) Loss reserves				3,804,204.63		
26							
27	(ii) Unearned Balance				13,010.54		
28							
29	C) (i)+(ii)					3,817,215.17	
30							
31	D) A)+B)+C)					6,621,240.07	
32						* 102%	
33	Disbursement Funds Requirements					6,753,664.87	
34	Available for Disbursement					-	
35							
36	**Required Contribution to Trust** (B)						
37							
38	(i) 10% of Initial Risk in Force					1,402,012.45	
39							
40	(ii) Unearned Balance					13,010.54	
41							
42	(iii) Loss reserves					3,804,204.63	
43							
44	Total Required Escrow Balance					5,219,227.62	
45							
46							
47	Trust Balance (net of FIT)					3,109,927.22	
48							
49	Required Trust Contribution					2,109,300.40	
50							
51	(A) FIT payable subtracted from available trust balance due to expectation that taxes will be withdrawn from Trust when needed						
52	as allowed per Section 8 04(b)						
53	(B) Per Freddie Mac guidelines						

EXHIBIT K

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

IN THE MATTER OF PHH CORPORATION	)	Case No.: 2011-0024-02

DECLARATION OF MICHAEL BOGANSKY
IN SUPPORT OF PHH CORPORATION'S NORA SUBMISSION

I, Michael Bogansky, pursuant to 28 U.S.C. § 1746, declare:

1. I am the Vice President, Controller for PHH Corporation ("PHH").

2. The facts set forth herein are based on my personal knowledge, the books and records of PHH, and information provided to me in the course of my official duties. If called upon to testify, I could and would testify competently thereto. I am submitting this declaration in support of PHH Corporation's NORA Submission to the Consumer Financial Protection Bureau.

3. Atrium Insurance Corporation ("Atrium") is a New York corporation and a wholly-owned subsidiary of PHH. Atrium's business is to provide reinsurance on private mortgage insurance ("pmi") issued in connection with loans originated or acquired by PHH Mortgage Corporation and PHH Home Loans, LLC.

4. At various times during the period from 1997 to 2010, Atrium had reinsurance agreements with the following four pmi providers: CMG Mortgage Insurance Company ("CMG"), Genworth Mortgage Insurance Company ("Genworth"), Radian Guaranty, Inc. ("Radian"), and AIG United Guaranty Mortgage Insurance Company ("UGI").

5. At various times Atrium utilized the services of Milliman, Inc. ("Milliman"), a third-party actuarial firm, to provide opinions for specific book years related to the reinsurance agreements, which state that the reinsurance agreements have a reasonable probability of loss to the reinsurer and the net ceded premium is reasonable related to the ceded risk.

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6. On November 12, 2009, PHH Corporation formed Atrium Reinsurance Corporation ("Atrium Re"), a Vermont corporation that is a wholly-owned subsidiary of PHH Corporation.

7. On January 25, 2010, the New York Insurance Department issued its non-disapproval of the reinsurance assumption agreements between Atrium and Atrium Re, thereby allowing Atrium Re to assume the existing reinsurance agreements with Genworth and UGI.

8. Atrium's reinsurance agreement with Radian commenced on July 26, 2004. Effective July 22, 2009, by mutual decision and pursuant to the terms of their agreement, Atrium and Radian commuted the agreement. As part of the commutation, Atrium forfeited to Radian capital contributions in the amount of $452,349, in addition to all premiums previously ceded as well as any earnings.

9. Atrium's reinsurance agreement with CMG commenced on December 1, 2006. Effective August 31, 2009, by mutual decision and pursuant to the terms of their agreement, Atrium and CMG commuted the agreement. As part of the commutation, Atrium forfeited to CMG capital contributions in the amount of $440,634, in addition to all premiums previously ceded as well as any earnings.

10. Atrium's reinsurance agreement with Genworth commenced on October 9, 2000. Since January 1, 2009, this agreement had been in "run-off," which means that no new business is reinsured, but that all obligations continue for both parties on existing books of business. Effective April 1, 2012, by mutual decision and pursuant to the terms of their agreement, Atrium and Genworth terminated the agreement. As a result of the termination, Atrium paid Genworth $37,149,869 and Genworth agreed to assume all future risks in connection with loans for which it provided mortgage insurance. $24,100,000 of restricted funds was released to Atrium from the

trust account and Atrium recognized a pre-tax loss of $15,854,192 in connection with the termination of this agreement.

11. Atrium's reinsurance agreement with UGI commenced on January 1, 1997. This agreement has been in run-off since January 1, 2010. Effective May 31, 2013, by mutual decision and pursuant to the terms of their Commutation Agreement and Mutual Release, Atrium and UGI terminated the agreement. As a result of the termination, Atrium paid UGI $48,592,201 and UGI agreed to assume all future risks in connection with loans for which it provided mortgage insurance. $69,169,499 of restricted funds was released to Atrium from the trust account and Atrium recognized a pre-tax loss of $20,918,142 in connection with the commutation of the agreement.

12. To the best of my knowledge, Atrium always met its contractual funding obligations with respect to the four trusts that were created in connection with its reinsurance arrangements.

13. Atrium paid a total of $156,307,798 in reinsurance claims: $127,731,812 in claims paid to UGI; $28,571,236 in claims paid to Genworth; and $4,750 in claims paid to Radian. As described in the chart below, for certain book years, Atrium paid claims to UGI that consumed the entire risk band and in fact exceeded the amount of reinsurance premiums that Atrium would collect over the entire life of the reinsurance agreement for those particular book years.

Book Year	Atrium payments to UGI/% of Risk Band	Atrium payments to Genworth/% of Risk Band
2004	$19,431,000 / 23%	$0.00 / 0%
2005	$37,279,038 / 81%	$6,190,694 / 41%

Book Year	Atrium payments to UGI/% of Risk Band	Atrium payments to Genworth/% of Risk Band
2006	$21,902,380 / 100%	$9,334,550 / 81%
2007	$37,351,659 / 100%	$6,966,585 / 60%
2008 (UGI)	$11,767,735 / 49%	N/A
2008A (Genworth)	N/A	$6,079,407 / 27%
2008 B (Genworth)	N/A	$0.00 / 0%
2009	$0.00 / 0%	N/A

14. Attached hereto as Exhibit A is a chart I prepared showing, for each reinsurance agreement, the capital contributions that were made and the dividends that were earned by Atrium, as well as the distributions made when each of the reinsurance agreements was commuted. Among other things, this chart reflects total capital contributions of $53,172,832 in connection with the four reinsurance agreements. The chart also presents capital contributions and trust distributions for each reinsurance agreement and reflects Atrium's cash return on invested capital of 5% in connection with its reinsurance agreements over the entire 16-year period the UGI agreement was in place and the 12-year period the Genworth agreement was in place. The chart also reflects the fact that Atrium's net earnings were positive in the early years of the agreements, but that the net earnings were negative beginning in 2008, which corresponds to the meltdown of the residential real estate mortgage market.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 5th day of September, 2013.

Michael Bogansky

Exhibit A

		Cash Return on Invested Capital By Trust			
Quarter	Year	UGI	GEMICO	Radian	CMG
Q4	1997	(460,000)			
Q1	1998	-			
Q2	1998	-			
Q3	1998	-			
Q4	1998	-			
Q1	1999	-			
Q2	1999	-			
Q3	1999	-			
Q4	1999	-			
Q1	2000	-			
Q2	2000	(17,000,000)			
Q3	2000	-			
Q4	2000	-			
Q1	2001	-	(2,500,000)		
Q2	2001	(11,510,000)	(1,250,000)		
Q3	2001	-	(1,250,000)		
Q4	2001	-	-		
Q1	2002	-	-		
Q2	2002	-	-		
Q3	2002	-	-		
Q4	2002	(15,500,000)	(500,000)		
Q1	2003	-	-		
Q2	2003	-	-		
Q3	2003	-	-		
Q4	2003	-	-		
Q1	2004	-	-		
Q2	2004	-	-		
Q3	2004	-	-	(16,120)	
Q4	2004	-	-	-	
Q1	2005	-	-	-	
Q2	2005	-	-	-	
Q3	2005	7,000,000	-	-	
Q4	2005	4,000,000	-	-	
Q1	2006	5,800,000	-	-	
Q2	2006	-	-	-	
Q3	2006	-	-	-	
Q4	2006	11,000,000	-	-	
Q1	2007	66,563,805	-	-	(380,350)
Q2	2007	-	-	-	-
Q3	2007	-	-	-	(59,465)
Q4	2007	-	-	-	-
Q1	2008	-	-	-	-
Q2	2008	-	-	(308,211)	(527)
Q3	2008	-	-	-	(292)
Q4	2008	-	-	(128,018)	-
Q1	2009	-	-	-	-
Q2	2009	-	-	-	-
Q3	2009	-	-	-	-
Q4	2009	-	-		-
Q1	2010	-	5,000,000		
Q2	2010	-	-		
Q3	2010	-	-		
Q4	2010	-	-		
Q1	2011	-	-		
Q2	2011	-	-		
Q3	2011	-	-		
Q4	2011	-	8,900,000		
Q1	2012	-	-		
Q2	2012	6,800,000	24,100,000		
Q3	2012	-			
Q4	2012	-			
Q1	2013	1,500,000			
Q2	2013	69,169,499			
Total		127,363,304	32,500,000	(452,349)	(440,634)
Cash Return		5%	5%	N/A	N/A

	Summary of Certain Trust Activity			
Description	UGI	GEMICO	Radian	CMG
Capital Contributions	46,779,849	5,500,000	452,349	440,634
Premiums Collected	304,729,028	136,312,066	3,845,554	2,766,097
Losses Paid	(127,731,812)	(28,571,236)	(4,750)	-
Commutation Payments	(48,592,201)	(37,149,869)	(4,447,105)	(3,233,079)

Year Ending December 31,	Consolidated Net Income (Atrium/Atrium Re)
1997	1,838,900
1998	6,510,059
1999	12,936,992
2000	18,628,087
2001	24,985,300
2002	24,429,170
2003	29,689,385
2004	24,148,344
2005	25,329,699
2006	26,998,578
2007	18,016,793
2008	(10,088,502)
2009	(9,926,291)
2010	(13,875,917)
2011	(3,590,851)
2012	(7,512,630)
2013	(12,387,576)

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