

EXHIBIT C

To: Edwards, Terry (MBS)[Terry.Edwards@mortgageservices.com]
From: Smith, Robert J. (MBS)
Sent: Sat 3/10/2007 9:01:20 PM
Subject: RE: Cuna License
MAIL_RECEIVED: Sat 3/10/2007 9:01:20 PM
[CMGMI Strategic Relationship Outline Final.pdf](#)

Bottom line:

- I do not expect CUNA to exercise their termination rights in the License Agreement, since they benefit from the captive and we have deepened our joint marketing and training initiatives to credit unions. See attached.
- The obligation to direct MI to the captive runs concurrently with the License Agreement. The operative terms are in the Asset Purchase Agreement and are set forth below:

Continuing Involvement. CMIS, Seller and Purchaser have agreed to work together following the Closing Date as set forth below:

As a condition subsequent to closing, Purchaser and CMIS will cause certain of their Affiliates to enter into a captive reinsurance arrangement through CMIS's mortgage insurance subsidiary, CUNA Mutual Group Mortgage Insurance ("CMGMI") and Atrium Insurance, Purchaser's captive reinsurance subsidiary (such reinsurance arrangement is hereinafter referred to as the "CMGMI/PHH Captive"). During the term of the License Agreement, Purchaser agrees to (i) designate CMGMI as a preferred mortgage insurance provider in its correspondent channel, and (ii) use its commercially reasonable efforts to obtain primary mortgage insurance from CMGMI for loans closed by or for the benefit of credit unions doing business with Purchaser. The structure of the CMG/PHH Captive will be [3/4.5/25] (risk entry point, risk corridor, ceded premium), subject to the review and approval by each party's accountants and actuaries.

Purchaser and CMGMI shall jointly plan and execute certain marketing and training activities. The purpose of these joint activities will be to promote each party's credit union capabilities and the CMGMI/PHH Captive. In connection therewith, CMIS shall cause CMGMI to recommend Purchaser to its current and prospective credit union customers as a "preferred provider" of mortgage loan related services. The general scope of the marketing and training activities will be defined and set forth in a specific plan within ninety (90) days following the Closing Date. Such plan will include the scope, timing and cost allocation of the activities.

- According to an analysis we completed last year, in terms of the CUNA captive are **37.4** bps worse than our 4/10/40 structure, which translates to be **11.2** bps across the population. The final CUNA terms were **4.7** bps worse than the 3/4.5/25 structure contemplated in the Asset Purchase Agreement (or **1.4** bps across the population).

Let me know if you need anything else. I'll be in tomorrow if you need anything. In NY on Monday with Pam and Melissa.

Thanks,

Bob

-----Original Message-----

From: Edwards, Terry (MBS)
Sent: Saturday, March 10, 2007 2:25 PM
To: Smith, Robert J. (MBS)
Subject: Fw: Cuna License

Call me 609 304 3464. See below.

----- Original Message -----

From: Kabaker, Matthew <Kabaker@blackstone.com>

To: Edwards, Terry (MBS)

Cc: Rick Thornberry <rickthornberry@aol.com>; Korangy, Shervin <korangy@blackstone.com>;
Kempner, Nathaniel <Kempner@blackstone.com>

Sent: Sat Mar 10 14:20:49 2007

Subject: FW: Cuna License

Terry, shld we be worried about this? Will they pull license agreement?

From: Korangy, Shervin

Sent: Saturday, March 10, 2007 2:19 PM

To: Kabaker, Matthew

Cc: Kempner, Nathaniel

Subject: FW: Cuna License

how do we want to handle?

I think this shld be handled normal course and get waiver as with others....

dont think it warrants anything pre-sign?

From: Rosenberg, Ellen D [mailto:ERosenberg@stblaw.com]

Sent: Saturday, March 10, 2007 1:52 PM

To: Korangy, Shervin; Kempner, Nathaniel

Subject: Cuna License

Nate and Shervin,

In reviewing the schedules, we've discovered a license agreement between PHH Mortgage and Cuna Mutual Insurance Society for PHH to use the "Cuna Mutual" service mark for which cuna has a termination right upon a phh change of control--this was not something we were provided previously, but I now have a copy of the agreement. I spoke with Rick about this but I thought it warranted putting it on your radar. Thanks.

Ellen

Ellen Rosenberg

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