

Growing Revenue While Mitigating Losses

More Offerings. Less Risk.

The Equity Protection Program (EPP) offered through NFP provides lenders the ability to mitigate the risks associated with expanding equity loan portfolio parameters through a fully insured program. By insuring loans with augmented loan-to-value thresholds, debt-to-income ratios and credit score ranges, you can expand the equity loan offerings without taking on additional risk. In the event of default, the full balance of the covered loan will be payable — without incurring expensive foreclosure, charge-off or REO charges.

Program benefits include these valuable features:

- Protects lender against borrower default for any reason
- No foreclosure required when filing a claim
- Reduces or eliminates REO expenses for lender
- Delegated loan underwriting authority with capacity to submit for additional review
- Customized rate structure allowing for single rate for all loan types or alternative structures
- Slight increase in APR covers cost of risk transfer with no additional disclosure to borrower required
- Eliminates/reduces loan loss reserve requirements and protects balance sheet
- Underwritten by A.M. Best A-rated carriers

Equity Protection that Works for You

We understand your needs and we're there for you throughout the entire process. Our underwriters work closely with prospective lenders and agents to structure each EPP to ensure that it provides effective parameters for the financial institution to generate covered loans. Once the program guidelines are determined, our team offers training and assistance throughout the implementation process — from premium and reporting to loan origination and claim filing.

Stuff happens. If a covered loan defaults and becomes uncollectable, 100 percent of the loan balance is paid at default, no foreclosure or charge-off is required and a claim may be filed within approximately 90 days of delinquency. Claims are typically paid within 30 days of submitting documentation.

Eligible loan types include:

- Home Equity Lines of Credit (HELOC)
- Purchase — Money Seconds (Combo, Piggyback Subordinate Financing for 1st)
- Home Improvement Loans (Secured and Unsecured)
- Closed-End Seconds

Tailored Premiums

Pricing is customized and quoted once an application is submitted and is based on lender loss history, loan types to be included and the expected volume of covered loans. The applicable rate is payable monthly and is based on the total outstanding balance of insured loans.

Sample Guidelines for Equity Protection Program Loan Types

	Home Improvement	Closed End	RE HELOC/HA	Purchase Money Second	Unsecured Home Improvement
Purpose	Home Improvement Only	Any	Any	Home Purchase/ Refinance	Home Improvement Only
FICO Score	660	660	660	660	680
Max Loan/Lline	\$250,000	\$250,000	\$250,000	\$250,000	\$25,000
Max Term	240 Months	240 Months	120 Months	360 Months	180 Months
Max LTV	133%	100%	100%	100%	N/A
Debt Ratio	45%	45%	40%	40%	40%

* Cannot exceed 25 years with amortization.

The Financial Institutions Program at NFP is the managing general agent for the Equity Protection Program and has the underwriting authority to bind risks and evaluate claims on behalf of the A.M. Best A-rated insurance carriers on the program. The solid infrastructure built especially for EPP by NFP ensures that lenders are provided with an unparalleled partner in the risk transfer of equity portfolios.

Minimizing Risk — and a Whole Lot More

NFP is a leading insurance broker and consultant that provides employee benefits, specialized property and casualty, retirement, and individual private client solutions through our licensed subsidiaries and affiliates. Our expertise is matched by our commitment to each client's goals and is enhanced by our investments in innovative technologies in the insurance brokerage and consulting space.

For more information:



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EquityProtection

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