

January 26, 2011

Subject: Mortgage Insurance Product Changes

In response to the Government of Canada's January 17th announcement on the new mortgage insurance guarantee parameters, Genworth Financial Canada will implement the following changes;

Effective March 18th, 2011

- 1) The maximum loan-to-value (LTV) for the **Cashout Refinance Program** will be reduced from 90% to 85%
- 2) The **maximum amortization** period for mortgage loans with a loan-to-value greater than 80% will be reduced from 35 years to 30 years

Applications submitted prior to March 18th, 2011 but decided on or after this date will be subject to the old parameters. Genworth will also consider exceptions where the lender has documentation that the borrower has a legally binding purchase and sale, financing, or refinancing Agreement dated before March 18th, 2011.

Effective April 18th, 2011

- 3) Non-amortizing Home Equity Lines of Credit (HELOCs) will no longer be eligible for mortgage insurance purposes. Amortizing mortgage loans with a loan-to-value less than or equal to 80%, with multiple components secured by a collateral charge, will continue to be eligible for mortgage insurance.

If you have any questions regarding the new guarantee parameters or Genworth products, please contact your Business Development Leader or the undersigned.

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