

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

KENISHA BRANTLEY and,) Civil Action No. 2:04-0805-23
GREG BRANTLEY,)
On Behalf of Themselves)
And All Others Similarly Situated,)
Plaintiffs,)
)
vs.)
)
REPUBLIC MORTGAGE INSURANCE)
COMPANY,)
Defendant.)

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT, AND COURT APPROVAL HEARING**

TO: All consumers throughout the United States who, from March 15, 2002, through December 31, 2006, had mortgage loans insured by borrower-paid mortgage insurance in Defendant's A-Minus Program, and whose credit score was reported to Defendant as 619 or less.

PLEASE READ THIS NOTICE CAREFULLY, AS THE PROPOSED SETTLEMENT DESCRIBED BELOW MAY AFFECT YOUR LEGAL RIGHTS AND PROVIDE YOU POTENTIAL BENEFITS. THIS IS NOT A NOTICE OF A LAWSUIT AGAINST YOU. THIS IS NOT AN ATTEMPT TO COLLECT MONEY FROM YOU.

IF YOU WISH TO RECEIVE ANY OF THE BENEFITS OF THE PROPOSED SETTLEMENT, YOU MUST COMPLETE THE CLAIM FORM ACCOMPANYING THIS NOTICE ACCORDING TO THE INSTRUCTIONS FOR DOING SO ON THE CLAIM FORM AND RETURN IT POSTMARKED NO LATER THAN MAY 25, 2007.

I. WHAT IS THE PURPOSE OF THIS NOTICE?

The purpose of this Notice is (a) to advise you of a proposed Settlement (referred to as the "Settlement") of the above-captioned civil action (referred to as the "Action") pending against Defendant in the United States District Court for the District of South Carolina (the "Court"), (b) to summarize your rights under the Settlement, and (c) to inform you of a court hearing to consider whether to finally approve the Settlement to be held on April 25, 2007 at 10:00 a.m. before the Honorable Patrick Michael Duffy, United States District Court for the District of South Carolina, Everett McKinley Dirksen Building, Courtroom No. 1, 85 Broad Street, Charleston, SC (the "Court Approval Hearing").

II. WHAT ARE THE ACTIONS ABOUT?

In the Action, plaintiffs Kenisha Brantley and Greg Brantley (collectively, "Plaintiffs") allege that Defendant violated the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681 *et seq.*, by (a) failing to provide Plaintiffs with "adverse action notices" in connection with Defendant's issuance of certain mortgage insurance policies to mortgage lenders on Plaintiffs' mortgage loans. The Action seeks damages, statutory damages, attorneys' fees and costs. The Action was filed in 2004 seeking nationwide class treatment, and there have been substantial proceedings in the cases. Plaintiffs' counsel have conducted a thorough investigation into, and have engaged in extensive discovery with respect to, the relevant facts and law. Plaintiffs' counsel have concluded that the outcome of the Action is uncertain and that a settlement is in the best interests of Plaintiffs and the Settlement Class.

Defendant denies that it acted unlawfully, and denies that it committed any violations of FCRA. Defendant further denies that class certification is required or appropriate. Defendant has contested Plaintiffs' claims, has contested liability to the Settlement Class, and has asserted numerous defenses.

The Court never resolved the claims, defenses and issues in the Action. The Court also never resolved whether Defendant did anything wrong.

This Notice should not be understood as an expression of any opinion by the Court as to the merits of the Plaintiffs' claims or Defendant's defenses. The parties recognize that to resolve these and other important issues would be time-consuming, uncertain, and expensive.

III. WHO IS PART OF THE PROPOSED SETTLEMENT?

Plaintiffs and Defendant have entered into an agreement to settle the Action (the "Settlement Agreement"). The Court has preliminarily approved the Settlement in the Settlement Agreement as fair, reasonable, and adequate. The Court will hold the Court Approval Hearing to consider whether to make the Settlement final.

The Court has provisionally approved a settlement class, consisting of persons who will be the final settlement class (the "Settlement Class") if the Settlement is approved, as follows:

All consumers throughout the United States who, from March 15, 2002, through December 31, 2006, had mortgage loans insured by borrower-paid mortgage insurance in Defendant's A-Minus Program, and whose credit score was reported to Defendant as 619 or less.

According to Defendant's records, you are a member of this Settlement Class. Further, if you have received more than one copy of this Notice in the mail, that may be because you are member of this Settlement Class with respect to more than one qualifying mortgage insurance policy issued by Defendant to a mortgage lender in connection with a mortgage loan upon which you are/were an obligor (*e.g.*, borrower or co-borrower). In that event, you may, as discussed in Section VII below, participate in, opt-out of, or take other actions with respect to the Settlement as to each mortgage insurance policy that qualifies you as a member of the Settlement Class. Moreover, if you are/were a co-borrower or co-obligor on a mortgage loan upon which Defendant issued a qualifying mortgage insurance policy to a mortgage lender, then you and each other co-borrower or co-obligor as to that loan will be treated as a single member of the Settlement Class for purposes of the proposed Settlement.

IV. WHAT ARE THE PRINCIPAL TERMS OF THE PROPOSED SETTLEMENT?

The principal terms of the proposed Settlement are as follows:

A. **SETTLEMENT BENEFIT.** Each member of the Settlement Class ("Class Member") who does not exclude himself or herself from the Settlement Class (as described in Section VII(B) below) will be eligible to receive a check in the amount of \$15.00 ("Settlement Check") and a free "tri-merge" credit report from Equifax with a FICO score, which at the time the parties agreed to this settlement had a retail value of \$39.95, ("Settlement Credit Report") (collectively, the "Settlement Benefit"). In those cases of qualifying mortgage insurance policy issued in connection with a mortgage loan involving more than one obligor, the Class Member will be eligible to receive (a) a Settlement Check issued jointly to all obligors on that loan, and (b) a Settlement Credit Report as to one of the obligors on that loan.

To receive the Settlement Benefit, you will need to complete and mail, by first-class United States mail, postage pre-paid, the attached Claim Form to: Brantley FCRA Settlement Administration, P.O. Box 11487, Birmingham, AL 35202-1487. To be considered valid, your Claim Form must meet all of the following criteria: (i) Section II(A) of the Claim Form must be completely filled-out; (ii) the question in Section II(B) of the Claim Form must be truthfully answered "yes" to the best of your knowledge and belief; (iii) the Claim Form must be signed in Section II(C), by you and each person who is/was obligated on the loan (*e.g.*, co-borrowers) upon which a qualifying mortgage insurance policy was issued by Defendant; and (iv) the Claim Form must be mailed to the address for Brantley FCRA Settlement Administration set forth above postmarked not later than **May 25, 2007**. In addition, if you wish to be eligible to receive the Settlement Credit Report in addition to the Settlement Check, you must provide all the information requested in Section III(A) of the Claim Form, and sign the express authorization in Section III(B) for Equifax Consumer Services, Inc. ("Equifax") to provide your credit report in connection with the proposed settlement. If your Claim Form meets all the criteria for a valid Claim Form specified in (i)-(iv) above, it will still be considered valid even if you do not provide the information requested and/or sign the authorization in Sections III(A) and (B) of the Claim Form. Under such circumstances, however,

you will only be eligible to receive a Settlement Check, and will be deemed to have waived all rights under the proposed settlement to receive a Settlement Credit Report. You will also be deemed to have waived all rights under the proposed settlement to a Settlement Credit Report if your Claim Form seeks multiple Settlement Credit Reports (*i.e.*, Settlement Credit Reports relating more than one and/or different persons), and/or seeks Settlement Credit Reports relating to any person(s) who was/is not obligated on the mortgage loan upon which Defendant issued a mortgage insurance policy to a mortgage lender and for which the Claim Form is being submitted.

If you are a Class Member with respect to more than one mortgage loan upon which a qualifying mortgage insurance policy was issued by Defendant, you may claim a Settlement Benefit as to each such mortgage insurance policy. To do so, for each qualifying mortgage insurance policy, you will need to complete and mail a separate Claim Form that meets each of the criteria for a valid Claim Form specified in (i) – (iv) above to: Brantley FCRA Settlement Administration, P.O. Box 11487, Birmingham, AL 35202-1487 postmarked by **May 25, 2007**.

B. *CONSENT ORDER*. Defendant will agree to the entry of a Court order (the “Consent Order”) requiring the provision of adverse action notices to certain borrowers upon whose mortgage loans it issues a borrower-paid mortgage insurance policy to a mortgage lender in the future. The exact terms of the Consent Order are set forth in the Settlement Agreement and exhibits thereto.

C. *CLASS BROCHURE*. Each Class Member will receive, along with this Notice, a brochure concerning FCRA and their rights under the statute (the “Class Brochure”).

D. *RELEASE*. Plaintiffs and each Class Member who does not exclude himself or herself from the Settlement Class will release certain claims against Defendant. This is referred to as the “Release.” Generally speaking, the Release will prevent any Class Member from bringing any lawsuit or making any claims that Defendant improperly failed to provide him, her or them with an adverse action notice. The Release will also prevent every Class Member, and certain related parties, from suing or bringing such claims against Defendant, companies related to Defendant, and/or Defendant’s employees. The terms of Release, as set forth in the Settlement Agreement, are reproduced in the Addendum appearing at the end of this Notice.

The Release, as set forth in Paragraphs 4.01 and 4.02 of the Settlement Agreement and the Addendum to this Notice, will be effective as to every Class Member who does not exclude himself or herself from the Settlement regardless of whether or not the Class Member submits a Claim Form or receives a Settlement Benefit.

E. *ATTORNEYS’ FEES AND SERVICE AWARDS*. Plaintiffs’ Counsel will ask the Court to award them attorneys’ fees of up to \$460,000 and actual litigation costs in the amount of up to \$20,000 for investigating the facts and law in the Action, litigating the Action, and negotiating the proposed Settlement of the Action. Plaintiffs’ Counsel has already filed a motion for such an award with the Court, and will file a detailed memorandum of law in support of that motion prior to the Court Approval Hearing. (Copies of the motion are available from the Clerk of Court, as set forth in Section X below, or on the Internet at www.fcraSettlement.com, and copies of the memorandum will be available through these same means prior to the Court Approval Hearing.) Defendant has agreed to pay the amount of any fees and costs awarded to Plaintiffs’ Counsel by the Court up to a maximum agreed-upon limit of \$480,000.

Plaintiffs’ Counsel will also ask the Court to award to the named Plaintiffs, as representatives of the Settlement Class, an amount, in the aggregate, of up to \$1,500 for their service in the Action. Defendant has agreed to pay the amount of any such award up to an aggregate, maximum amount of \$1,500.

Any award of attorneys’ fees and costs to Plaintiffs’ Counsel or service award to Plaintiffs, up to the above-specified limits, will be paid by Defendant in addition to the Settlement Benefit.

E. *SETTLEMENT ADMINISTRATION*. Defendant will pay for the administration of the proposed Settlement.

F. *DISMISSAL OF THE ACTION*. The Action will be dismissed with prejudice.

If the Settlement is approved by the Court and becomes final, the Settlement will be consummated and the Settlement Benefit provided to eligible Class Members. If the Settlement is not approved by the Court or does not become final for any reason, the Action will continue, and Class Members will not be entitled to receive the Settlement Benefit.

SECTIONS IV(A)-(F) ABOVE PROVIDES ONLY A SUMMARY OF THE TERMS OF THE PROPOSED SETTLEMENT. YOU MUST CONSULT THE SETTLEMENT AGREEMENT FOR MORE INFORMATION ABOUT THE EXACT TERMS OF THE SETTLEMENT. THE SETTLEMENT AGREEMENT IS AVAILABLE FROM THE CLERK OF COURT, AS SET FORTH IN SECTION X BELOW, OR ON THE INTERNET AT WWW.FCRASETTLEMENT.COM.

V. WHO REPRESENTS THE SETTLEMENT CLASS?

The Court provisionally has appointed the following individuals from the following law firms to act as the lawyers for the Settlement Class (referred to as “Plaintiffs’ Counsel”):

T. English McCutchen
William E. Hopkins, Jr.
Charles J. Bridgmon
McCutchen Blanton Johnson & Barnette, LLP
1414 Lady Street
Columbia, SC 29201

Terry A. Smiljanich
James Hoyer Newcomer & Smiljanich
One Urban Centre, Suite 550
4830 West Kennedy Boulevard
Tampa, FL 33609

VI. WHAT ARE THE REASONS FOR THE PROPOSED SETTLEMENT?

Plaintiffs and Defendant agreed on all of the terms of the proposed Settlement through extensive arms-length negotiations between Plaintiffs’ Counsel and Defendant’s Counsel. Plaintiffs have entered into the proposed Settlement after weighing the benefits of the Settlement against the probabilities of success or failure in the Action, and against the delays that would be likely if the Action proceeded to trial, and after trial, to appeal.

Plaintiffs and Plaintiffs’ Counsel have concluded that the proposed Settlement provides substantial benefits to the Settlement Class; resolves substantial issues without prolonged litigation; provides the Settlement Class with significant individual benefits, as well as in the aggregate; and is in the best interests of the Settlement Class. Plaintiffs and Plaintiffs’ Counsel have concluded that the proposed Settlement is fair, reasonable, and adequate.

Although Defendant denies any wrongdoing, and any liability whatsoever, Defendant believes that it is in its best interest to settle the Action on the terms set forth in the Settlement Agreement in order to avoid further expense, uncertainty, and inconvenience in connection with the Action.

VII. WHAT DO YOU NEED TO DO NOW?

A. *YOU CAN PARTICIPATE AND BE ELIGIBLE TO RECEIVE THE SETTLEMENT BENEFIT.* If the Settlement is approved at the Court Approval Hearing, you will have the right to participate in the Settlement and receive the Settlement Benefit described in this Notice. If that is what you want, you must complete and mail the attached Claim Form, by first-class mail, to the Settlement Administrator at the address provided on the Claim Form postmarked on or before **May 25, 2007**. If you do not mail back a fully-completed Claim Form before that deadline, you will not get a Settlement Benefit and will be bound by the Settlement.

If you participate, your interests as a Class Member will be represented by Plaintiffs and the above-listed Plaintiffs’ Counsel. You will not be billed for their services. Plaintiffs’ Counsel will receive a fee only if the Court approves the Settlement, and the fee award will be set by the Court and paid by Defendant in addition to any Settlement Benefit available to you.

You will be bound by any judgment or other final disposition of the Action, including the Release as provided in the Settlement Agreement, and will be precluded from pursuing claims against Defendant separately if those claims are within the scope of the Release.

B. *YOU CAN OPT-OUT.* If you do not wish to be a Class Member, and do not want to participate in the Settlement, you may exclude yourself from the Settlement Class by completing and mailing a notice of intention to opt-out (referred to as an “Opt-Out”) to the following address, postmarked not later than April 4, 2007:

Brantley FCRA Settlement Administration
P.O. Box 11487
Birmingham, Alabama 35202-1487

Any Opt-Out must (a) state your full name, address and telephone number; (b) contain information reasonably identifying the mortgage loan(s) upon which Defendant issued a mortgage insurance policy to a mortgage lender as to which you seek exclusion; (c) contain your original signature (conformed, reproduced, facsimile, or other non-original signatures are not valid); and (d) state unequivocally your intent to be excluded from the Settlement Class, to be excluded from the Settlement, to waive all right to the Settlement Benefit, and/or not to participate in the Settlement. If you choose to exclude yourself from the Settlement Class, you will also exclude any co-obligors on the loan(s) upon which Defendant issued a mortgage insurance policy to a mortgage lender as to which you seek exclusion, and you and any co-obligors on that loan(s) will not be able to participate in any benefits of the Settlement and will retain any claims you may have against Defendant. **Class Members who do not mail in a timely and valid Opt-Out will remain Class Members and will be bound by the Settlement.**

C. *YOU CAN OBJECT OR TAKE OTHER ACTIONS IN THE ACTIONS.* Any Class Member who has not elected to be excluded from the Settlement Class may object to part or all of the Settlement, may appear at the Court Approval Hearing, and/or may ask to become involved in the Action.

(1) Objections to the Settlement. You may object to the approval of the Settlement, to any aspect of the Settlement or the Settlement Agreement, to the application for attorneys’ fees and costs, and/or to the application for a service award to Plaintiffs. You must file any objection with the Clerk of Court, United States District Court for the District of South Carolina, Charleston Federal Court House, 85 Broad Street, Charleston, SC 29401 on or before April 4, 2007, and must send a copy of the objection to Plaintiffs’ Counsel and Defendant’s Counsel at the addresses set forth in Section XI below by that same date. To be valid, each objection must (a) set forth the Class Member’s full name, current address, and telephone number; (b) contain information reasonably identifying the mortgage loan(s) of the Class Member upon which Defendant issued a mortgage insurance policy to a mortgage lender; (c) contain the Class Member’s original signature (conformed, reproduced, facsimile, or other non-original signatures are not valid); (d) state that the Class Member objects to the Settlement or Settlement Agreement, in whole or in part; (e) set forth a statement of the legal and factual basis for the objection; and (f) provide copies of any documents that the Class Member wishes to submit in support of his/her position. Objections that are not timely filed with the Court and sent Plaintiffs’ Counsel and Defendant’s Counsel, and/or are otherwise invalid will not be considered by the Court.

(2) Appearances at the Court Approval Hearing. **It is not necessary for you to appear at the Court Approval Hearing.** If you wish to appear and/or speak at the Court Approval Hearing, whether personally or through a lawyer, however, you must file a Notice of Appearance with the Clerk of Court, United States District Court for the District of South Carolina, Charleston Federal Court House, 85 Broad Street, Charleston, SC 29401 on or before April 4, 2007, and must send a copy of the notice of appearance to Plaintiffs’ Counsel and Defendant’s Counsel at the addresses set forth in Section XI below by April 4, 2007.

(3) Intervention in the Action. **It is not necessary for you to intervene in the Action.** If you want to intervene in the Action, however, you must file an appropriate motion to intervene, and all supporting pleadings and other documents, with the Clerk of Court, United States District Court for the District of South Carolina, Charleston Federal Court House, 85 Broad Street, Charleston, SC 29401 on or before April 4, 2007, and must send a copy of the motion to intervene, and all supporting pleadings and other documents, to Plaintiffs’ Counsel and Defendant’s Counsel at the addresses set forth in Section XI below by April 4, 2007.

VIII. WHAT WILL TAKE PLACE AT THE COURT APPROVAL HEARING?

The Court will hold the Court Approval Hearing in Courtroom No. 1 of the United States District Court for the District of South Carolina, Charleston Federal Court House, 85 Broad Street, Charleston, SC 29401 on **April 25, 2007 at 10:00 a.m.** At that time, the Court will determine, among other things, (a) whether the Settlement should be finally approved as fair, reasonable and adequate, (b) whether the Action should be dismissed with prejudice pursuant to the terms of the Settlement Agreement, (c) whether Class Members should be bound by the Release set forth in the Agreement, (d) whether the Settlement Class should be finally certified, (e) whether Class Members should be subject to a permanent injunction that, among other things, bars Class Members from filing, commencing, prosecuting, intervening in, or participating in (as class members or otherwise), any lawsuit, claim, demand or proceeding in any jurisdiction that is based on or related to, directly or indirectly, matters within the scope of the Release, (f) the amount of attorneys' fees and costs to be awarded to Plaintiffs' Counsel, if any, and (g) the amount of the award to be awarded to Plaintiffs for their service as class representatives, if any. The Court Approval Hearing may be postponed, adjourned or continued by Order of the Court without further notice to the Settlement Class.

IX. WHAT ORDERS HAS THE COURT ENTERED IN CONNECTION WITH THE PROPOSED SETTLEMENT?

A. *PRELIMINARY INJUNCTION.* The Court has preliminarily enjoined Class Members who have not timely and validly excluded themselves from the Settlement Class, and all persons acting on behalf of or in concert with any such Class Members, from, directly or indirectly, (i) commencing, prosecuting, participating in (as a class member or otherwise), and/or assisting in any lawsuit or other proceeding against the Defendant that asserts or purports to asserts claims that (a) were asserted, attempted to be asserted, or could have been asserted in the Action, and/or (b) are within the scope of the Release; and (ii) organizing or soliciting Class Members or opt-outs into a separate class for purposes of pursuing, as a purported class action, a lawsuit or other proceeding on behalf of Class Members or opt-outs that asserts or purports to asserts claims that (a) were asserted, attempted to be asserted, or could have been asserted in the Action, and/or (b) are within the scope of the Release (the "Injunction"). The exact terms of the Injunction are set forth in the Court's order dated as of December 12, 2006 ("Order"), a copy of which is available from the Clerk of Court, as set forth in Section X below, or on the Internet at www.fcrasettlement.com.

B. *COMMUNICATION WITH CLASS MEMBERS.* Class Members are currently represented by Plaintiffs' Counsel. As a result, the Court has ordered that no person or entity shall be permitted to initiate communications with Class Members, whether by written correspondence, notices, advertisements, Internet postings, or other media, concerning the Settlement or Settlement Agreement or its terms without prior approval from the Court upon prior notice to Plaintiffs' Counsel and Defendant's Counsel.

X. HOW CAN YOU GET ADDITIONAL INFORMATION ABOUT THE ACTION, THE PROPOSED SETTLEMENT, THE SETTLEMENT AGREEMENT, OR THE NOTICE?

The descriptions of the Action, the Settlement and the Settlement Agreement that are contained in this Notice are only a general summary. In the event of a conflict between this Notice and the Settlement Agreement, the terms of the Settlement Agreement shall control. All papers filed in this case, including the full Settlement Agreement, are available for you to inspect and copy (at your cost) at the office of the Clerk of Court, United States District Court for the District of South Carolina, Charleston Federal Court House, 85 Broad Street, Charleston, SC 29401, during regular business hours.

Any questions concerning this Notice, the Settlement Agreement, or the Settlement may be directed to Plaintiffs' Counsel in writing at the address set forth below or by calling (800) 597-0884.

You may also seek the advice and counsel of your own attorney, at your own expense, if you desire.

Additional copies of this Notice and the accompanying Claim Form can be obtained from the Settlement Administrator upon written request.

In addition, copies of the Settlement Agreement and the Order of the Court preliminarily approving the Settlement are available on the Internet at www.fcrasettlement.com.

DO NOT WRITE OR TELEPHONE THE COURT, THE CLERK'S OFFICE, OR DEFENDANT IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, THE SETTLEMENT, OR THE SETTLEMENT AGREEMENT.

XI. WHAT ARE THE ADDRESSES YOU MAY NEED?

Plaintiffs' Counsel:

Terry A. Smiljanich
James Hoyer Newcomer & Smiljanich
One Urban Centre, Suite 550
4830 West Kennedy Boulevard
Tampa, FL 33609

T. English McCutchen
William E. Hopkins, Jr.
Charles J. Bridgmon
McCutchen Blanton Johnson & Barnette
1414 Lady Street
Columbia, SC 29201

Defendant's Counsel:

William L Kirkman
Bourland & Kirkman LLP
Jay and Michel
201 Main Street Suite 1400
Fort Worth, TX 76102
817-336-2800

B. Rush Smith, III
Nelson Mullins Riley & Scarborough
1320 Main Street, 17th Floor
Columbia, SC 29201
803-799-2000

Settlement Administrator:

Brantley FCRA Settlement
P.O. Box 11487
Birmingham, AL 35202-1487

XII. WHAT INFORMATION MUST YOU INCLUDE IN ANY DOCUMENT THAT YOU SEND REGARDING THE ACTIONS

In sending any document to the Settlement Administrator, to the Court, to Plaintiffs' Counsel, or to Defendant's Counsel, it is important that both your envelope and any documents inside contain the following case names and identifying numbers: *Brantley et al. v. Republic Mortgage Insurance Company*, Case No. 2:04 CV 00805. In addition, you must include your full name, address, and a telephone number at which you can be reached.

XIII. WHAT ARE IMPORTANT DEADLINES YOU SHOULD KNOW?

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| April 4, 2007 | All NOTICES OF APPEARANCES AND MOTIONS TO INTERVENE must be FILED in Court and sent to Plaintiffs' Counsel and Defendant's Counsel. |
| April 4, 2007 | All OPT OUTS must be POSTMARKED and mailed to Brantley FCRA Settlement Administration. |
| April 4, 2007 | All OBJECTIONS must be FILED in Court and sent to Plaintiff's Counsel and Defendant's Counsel. |
| April 25, 2007 | COURT APPROVAL HEARING. |
| May 25, 2007 | All CLAIM FORMS must be POSTMARKED and mailed to Brantley FCRA Settlement Administration, or you will not receive the Settlement Benefit. |

/s/ The Honorable Patrick Michael Duffy
UNITED STATES DISTRICT JUDGE

Dated: December 12, 2006

ADDENDUM

As provided for in Section IV(D) of the Notice, the terms of the Release, as embodied Paragraphs 4.01 and 4.02 of the Settlement Agreement, are reproduced below:

IV. RELEASE

4.01 Upon Final Approval, and in consideration of the promises and covenants set forth in this Agreement, Representative Plaintiffs and each Class Member who is not a Successful Opt-Out from the Settlement Class, and their respective heirs, executors, administrators, successors, representatives, attorneys, agents, partners, assigns, co-obligors, co-guarantors, guarantors, sureties, and all those who claim through them or who assert claims (or could assert claims) on their behalf (including the government or bankruptcy trustees in the capacity as *parens patriae* or on behalf of creditors or estates of the releasors) (collectively, the “Class Releasing Parties”) do hereby unconditionally and irrevocably remise, release, and discharge Republic Mortgage Insurance Company (“RMIC”) from, and do hereby unconditionally and irrevocably agree not to commence any judicial action against RMIC arising out of, any and all past and present claims, counterclaims, actions, causes of action, lawsuits, set-offs, costs, losses, rights, or liabilities, of whatever kind or character, direct or indirect, whether known or unknown or capable of being known as of the date hereof, whether existing now or to come into existence in the future, arising at law or in equity, by a right of action or otherwise, whether or not they were asserted or could have been asserted in the Action, which the Class Releasing Parties or any of them have, may have, or may come to have, individually or as members of a class, against RMIC based on, arising out of, or in any way relating or pertaining to (a) all claims that were asserted, or attempted to be asserted, or could have been asserted in the Action; (b) RMIC’s provision or failure to provide any notice of adverse action under FCRA; (c) RMIC’s accessing or obtaining of consumer credit reports or consumer credit information; (d) RMIC’s alleged failure to comply with the requirements of FCRA relating to the provision of adverse action notices or the accessing or obtaining of consumer credit reports and/or consumer credit information; (e) written and oral disclosures, representations, omissions or statements concerning the use or potential use of consumer credit reports and/or consumer credit information in the pricing of mortgage insurance policies; and (f) written and oral disclosures, representations, omissions or statements made in connection with accessing or obtaining consumer credit reports and/or consumer credit information. This Release shall be included as part of any judgment, so that all released claims and rights shall be barred by principles of *res judicata*, collateral estoppel, and claim and issue preclusion.

4.02 In addition to the provisions of paragraph 4.01, the Class Releasing Parties hereby expressly agree that, upon Final Approval, each will waive and release any and all provisions, rights, and benefits conferred either (a) by Section 1542 of the California Civil Code, or (b) by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code, with respect to the claims released pursuant to paragraph 4.01. Section 1542 of the California Civil Code reads:

“Section 1542. General Release, extent. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

Whether a beneficiary of California law or otherwise, Representative Plaintiff and each of the Class Releasing Parties acknowledges that he or she may hereafter discover facts other than or different from those that he or she knows or believes to be true with respect to the subject matter of the claims released pursuant to the terms of paragraph 4.01, but each of those individuals expressly agree that, upon entry of the final judgment contemplated by this Settlement Agreement, he and she shall have waived and fully, finally, and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, contingent or non-contingent claim with respect to the claims released pursuant to paragraph 4.01, whether or not concealed or hidden, without regard to subsequent discovery or existence of such different or additional facts.