

LEGAL NOTICE OF PENDENCY OF CLASS ACTION

ATTENTION: All persons who obtained residential mortgage loans through PHH Corp., PHH Mortgage Corp., or PHH Home Loans, LCC that closed on or after June 2, 2007 through December 31, 2009, and who paid for private mortgage insurance subject to reinsurance through Atrium Insurance Corp. (“Class Members”).

The purpose of this Notice is to advise you of a pending class action in the Eastern District of California entitled *Munoz, et al. v. PHH Corp., et. al.*, Case No. 1:08-cv-00759-AWI-BAM (“the Action”). This Notice is issued pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of California. This Notice will summarize certain rights and options you may have in the Action. You may or may not be a Class Member. Please read below to see if you are a Class Member.

FOR MORE INFORMATION: Visit the dedicated litigation website www.PHHPMIRESPAlitigation.com where you may obtain important documents filed in the case thus far, or call the toll-free number 1-888-334-6147.

WHO IS AFFECTED?

On June 11, 2015 the Court ordered that the Action may proceed as a class action lawsuit on behalf of the following Class:

All persons who obtained residential mortgage loans originated and/or acquired by PHH and/or its affiliates **on or after June 2, 2007 through December 31, 2009**, and, in connection therewith, purchased private mortgage insurance and whose loans were included within PHH’s captive mortgage reinsurance arrangements.

To be a member of the Class, you must meet the description above. If you do not meet the Class definition, this Notice does not apply to you. If you are uncertain whether you are a Class Member, contact Plaintiffs’ attorney or your own attorney. Do not call PHH.

WHAT IS THIS ABOUT?

The complaint in the Action alleges that PHH Corp., PHH Mortgage Corp., PHH Home Loans, LCC, and Atrium Insurance Corp. (“Atrium”) (collectively “Defendants”) violated section 8 of the Real Estate Settlement Procedures Act (“RESPA”) 12 U.S.C. § 2607. In particular, the complaint alleges that PHH required certain borrowers to pay for private mortgage insurance with one of four primary mortgage insurers. These private mortgage insurers entered into reinsurance agreements with PHH’s affiliate, Atrium, whereby Atrium would assume some of the risk on the loan in exchange for a portion of the premiums paid by the borrower. Plaintiffs allege that Atrium assumed either no real or an insufficient amount of the risk and, thus, the reinsurance arrangement was a disguised form of rebate to PHH.

Defendants deny the allegations of the complaint and contend the agreements are appropriate and standard reinsurance involving meaningful transfer of risk, and that Atrium paid claims under its reinsurance agreements. The Defendants assert numerous defenses to this Action. The Court has not formed any opinion concerning the merits of the case. The Court has not ruled in favor of or against Plaintiffs on the merits of any of their claims.

WHAT ARE YOUR OPTIONS?

If you are a Class Member, you have the choice of staying in the Class or excluding yourself from the Class. Each choice has risks and consequences. You have the right to discuss your decision with Plaintiffs’ counsel, Class Counsel or your own attorney. You have the right to be notified of any proposed settlement or dismissal of the Class claims.

1. If you stay in the Class, you will be bound by the result of the lawsuit, whether that result is favorable or unfavorable. If the Court finds in favor of the Class, you will be entitled to a share of the recovery, if there is any recovery and if the Court awards you a share. If the Court finds in favor of the defendants, you will recover nothing and any claim you would have against the Defendants related to the allegations in the operative complaint in this Action, and certain related matters, will be forever barred.

2. If you exclude yourself from the Class, you will not be bound by the result of this case. Accordingly, should the Class recover money from Defendants, whether by settlement or judgment, you will not share in the recovery. Nor will you be bound by any adverse result in this case. You will retain the right to pursue any individual claims against Defendants and hire your own attorney, unless otherwise barred.

If you are a Class Member, you will automatically be considered a member of the Class unless you request to be excluded. **YOU NEED NOT DO ANYTHING IF YOU WISH TO BE INCLUDED. THERE IS NO NEED FOR YOU TO CALL, WRITE OR SEND ANYTHING AT THIS TIME IN ORDER FOR YOU TO REMAIN A MEMBER OF THE CLASS.**

If you wish to exclude yourself from the Class, please send a letter referencing “PHH reinsurance case,” and stating your name and address, and that you wish to be excluded from the Class, to PHH Reinsurance Case Notice Administrator, c/o Rust Consulting, Inc., P.O. Box 2452, Faribault, MN 55021-9149. The letter must be received on or before December 26, 2015. If you mail a request for exclusion, you bear the risk of any delay or failure of delivery.

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