

The background of the slide is a composite image. The top portion features a row of colorful, stylized houses in shades of orange, yellow, green, and blue. The bottom portion is a dark blue, semi-transparent overlay of a photograph showing a large, classical-style house with a prominent porch and columns. In the foreground of this photograph, several children are seen playing on a lawn.

# MGIC

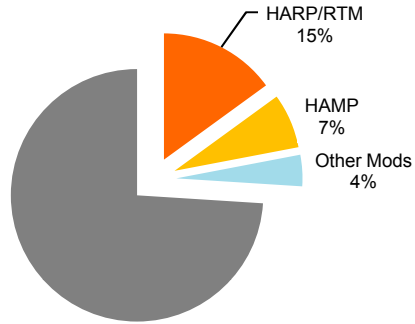
**MGIC Investment Corporation  
Q4 2014 Portfolio Supplement**

**January 20, 2015**

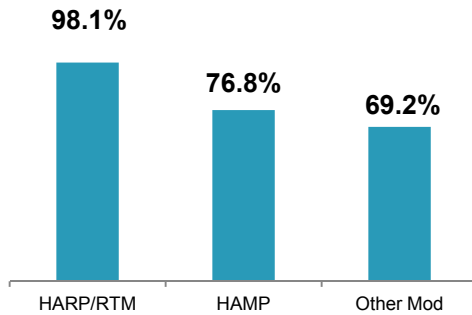
*The information in this document does not include our Australian operations, which are immaterial*

# Summary of Loan Modification and HARP Activity

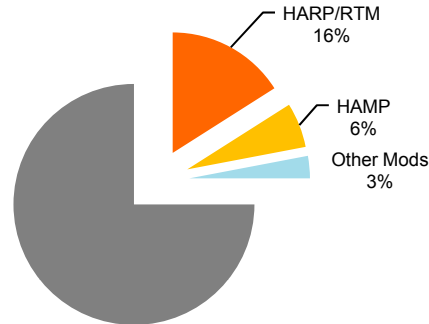
**Risk in Force  
Total Primary Book**



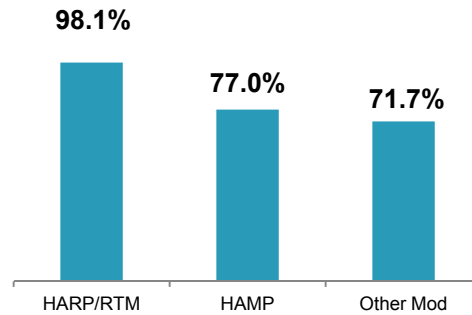
**% Current at 12/31/2014  
(# of loans)**



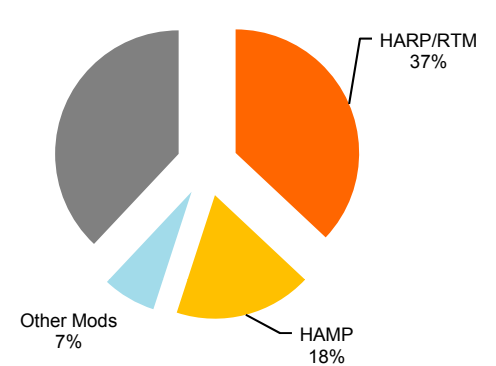
**Risk in Force  
Flow Primary Book**



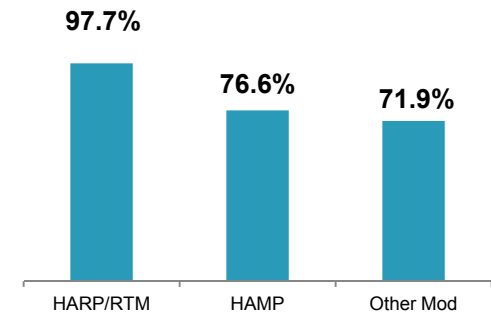
**% Current at 12/31/2014  
(# of loans)**



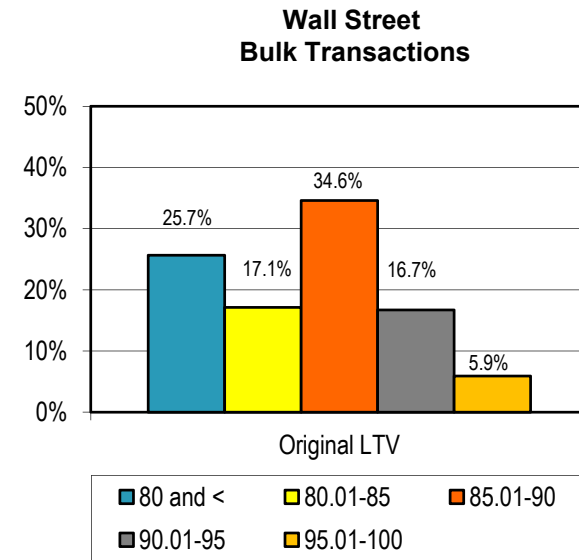
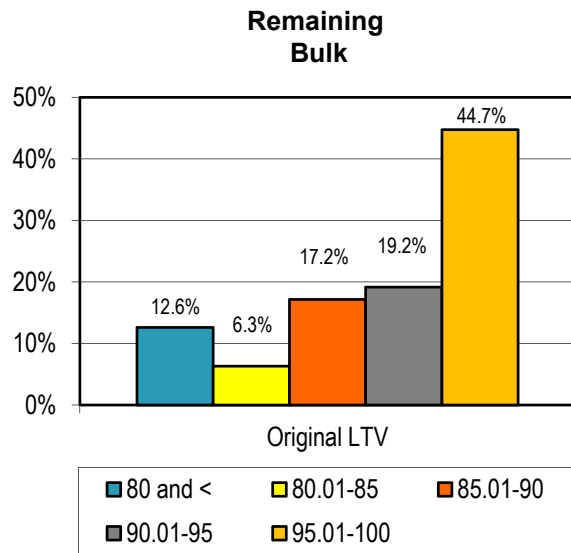
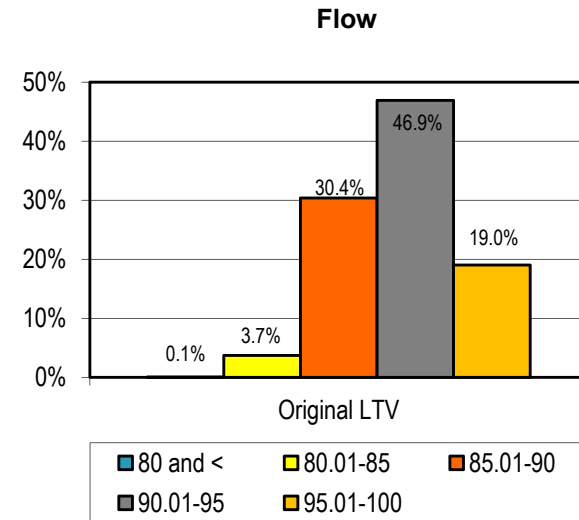
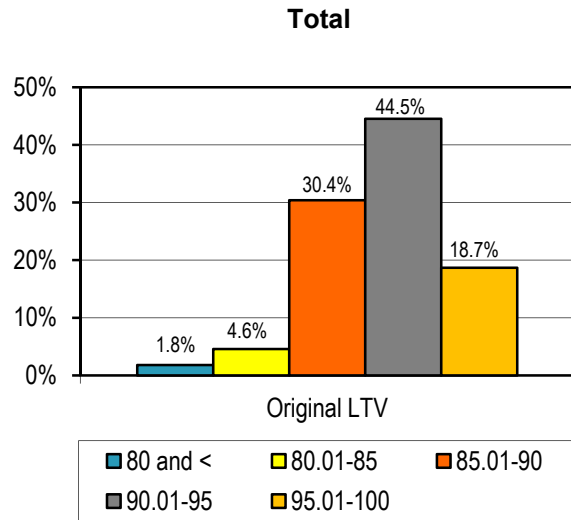
**Risk in Force  
2007 Flow Primary Book**



**% Current at 12/31/2014  
(# of loans)**

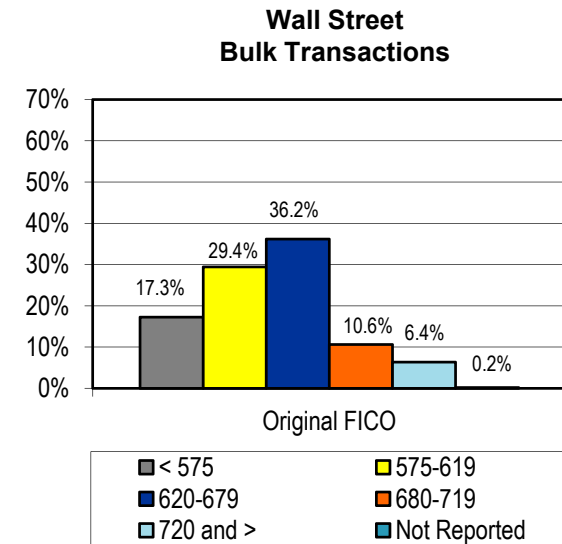
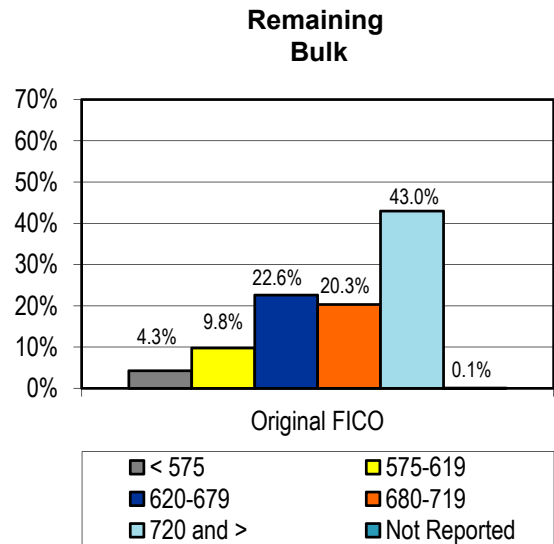
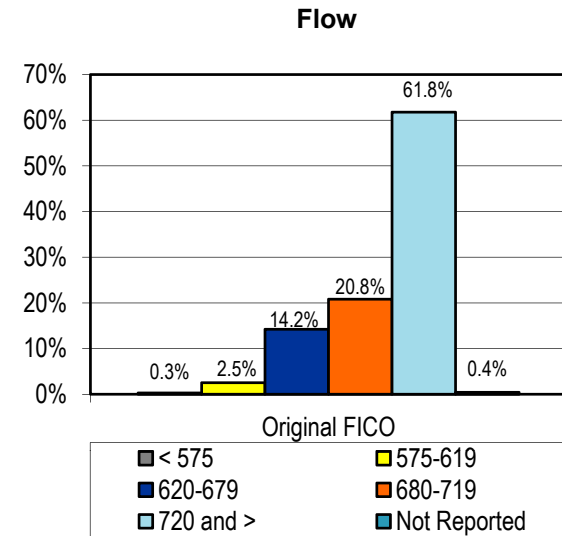
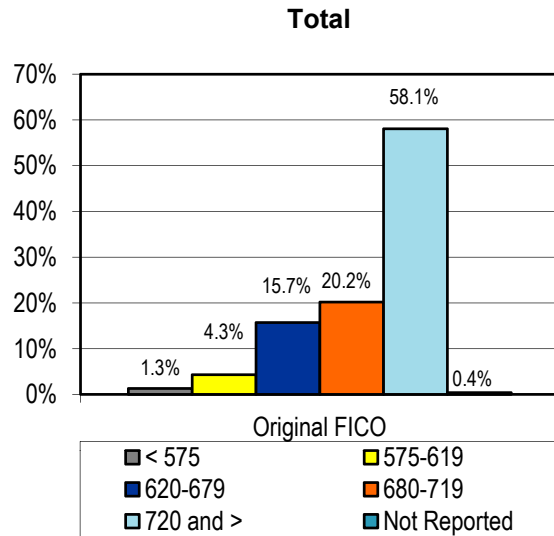


# Primary Risk in Force December 31, 2014



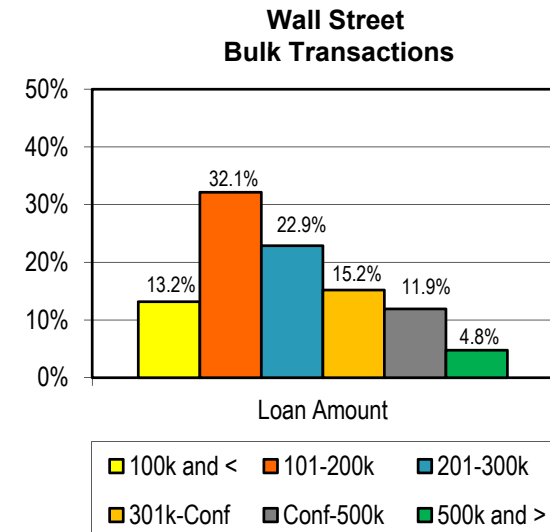
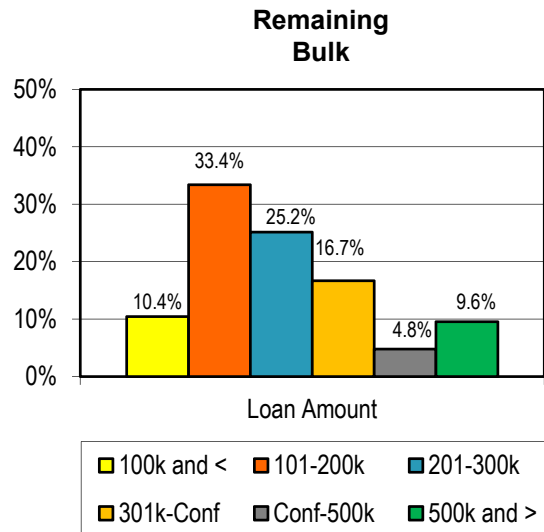
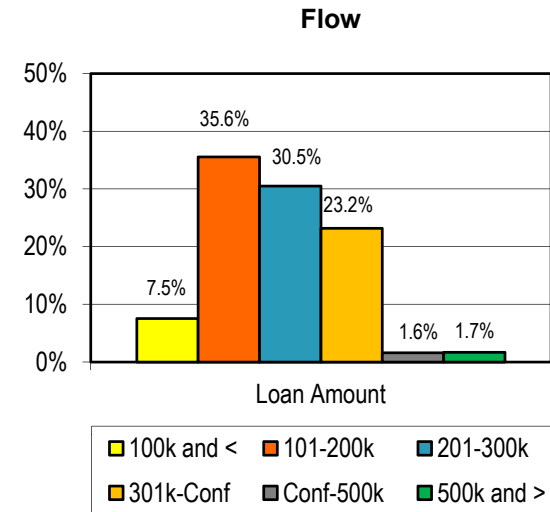
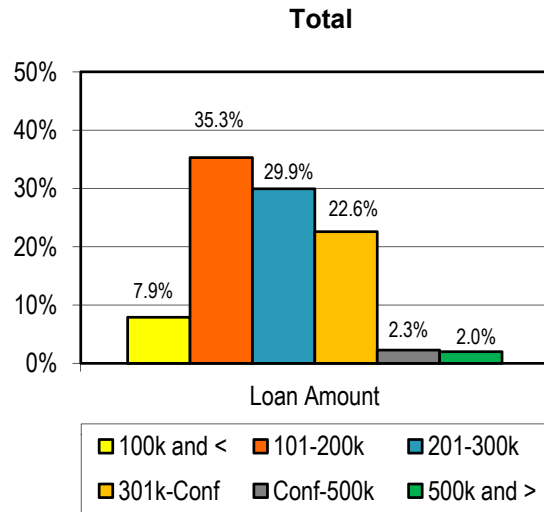
Note: Charts may not add to 100% due to rounding

# Primary Risk in Force December 31, 2014



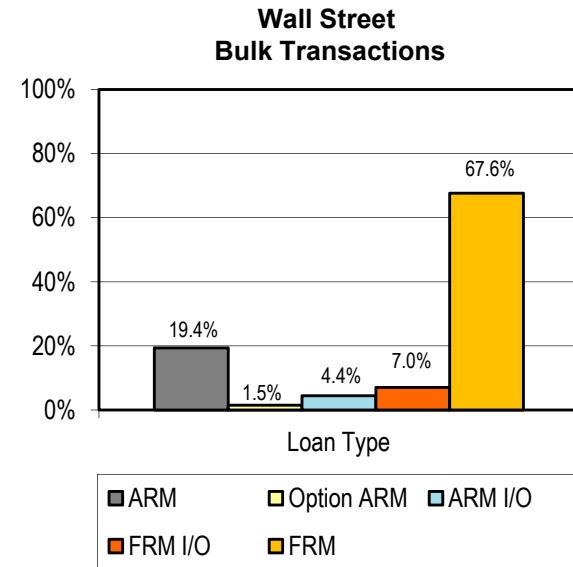
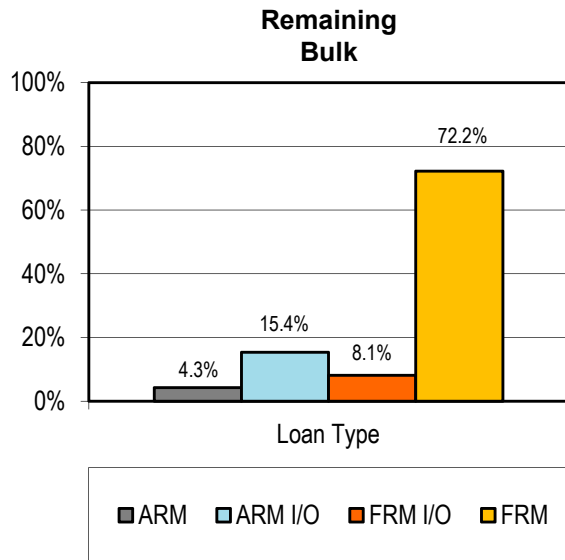
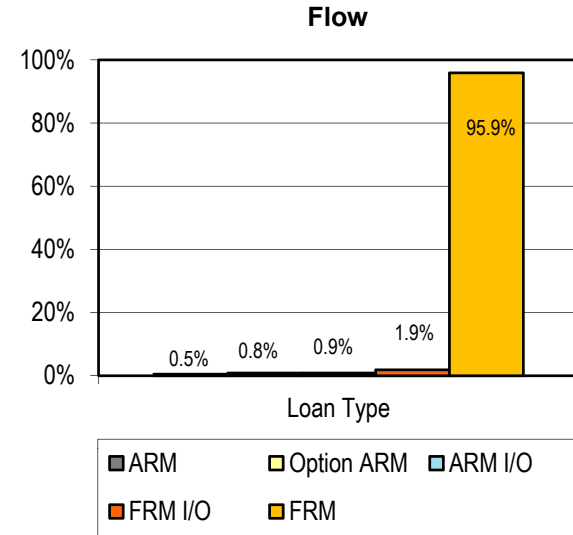
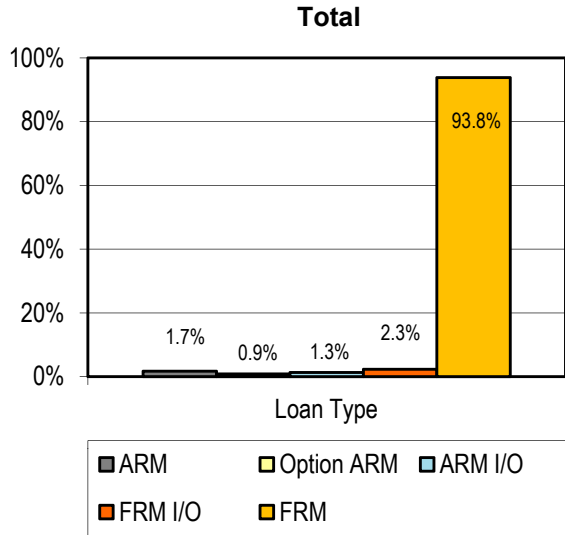
Note: Charts may not add to 100% due to rounding

# Primary Risk in Force December 31, 2014



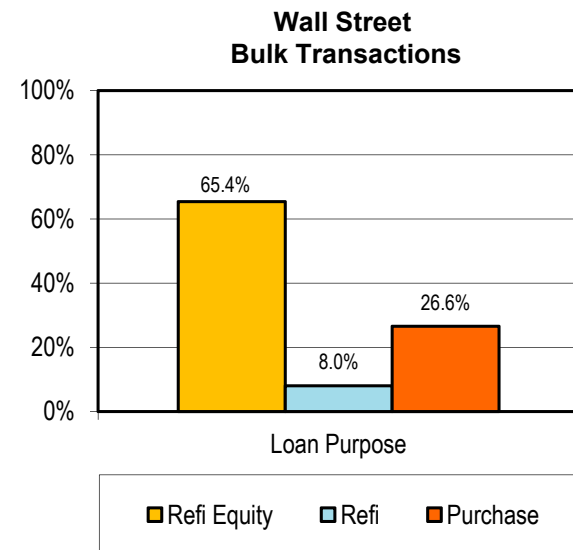
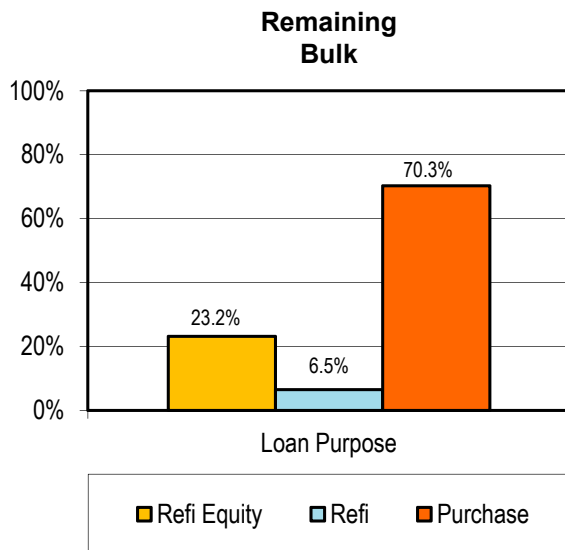
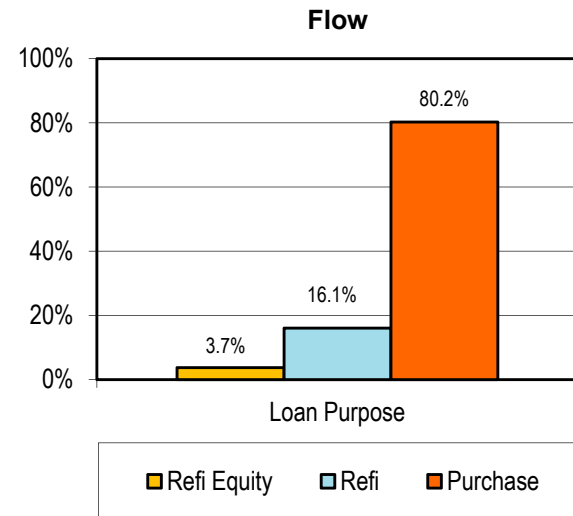
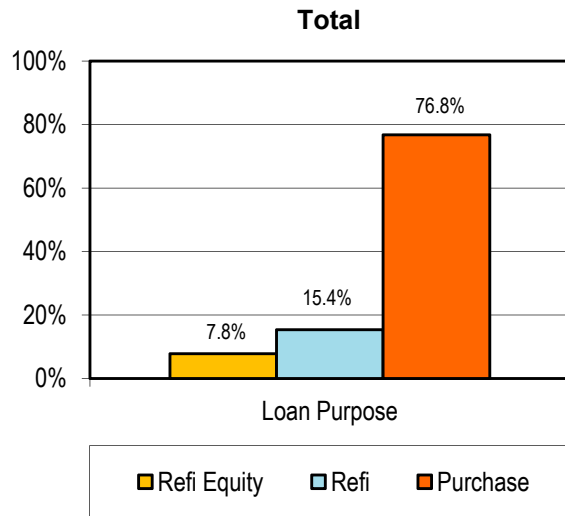
Note: Charts may not add to 100% due to rounding

# Primary Risk in Force December 31, 2014



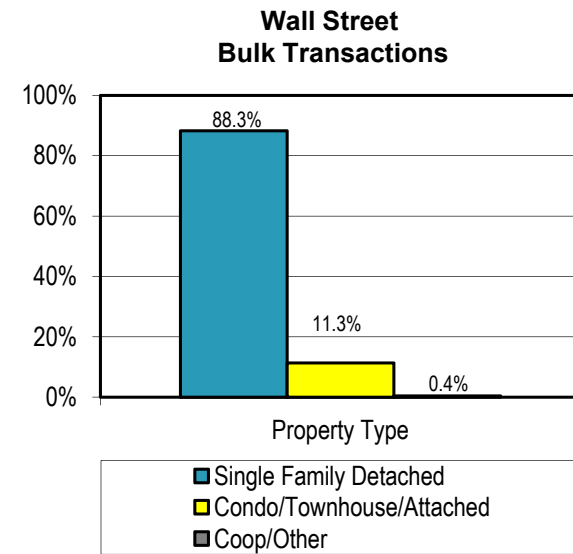
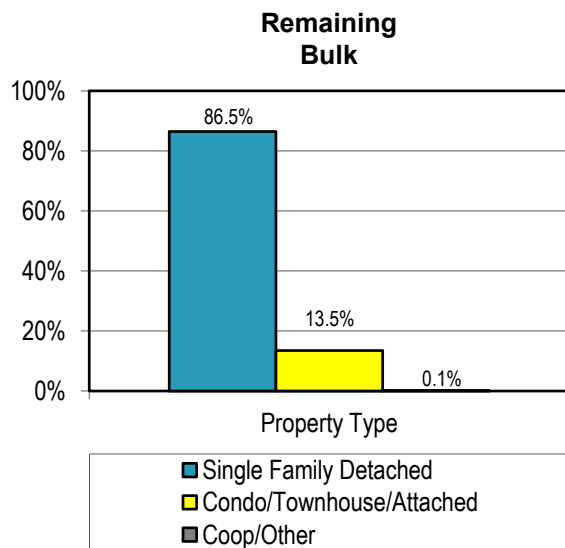
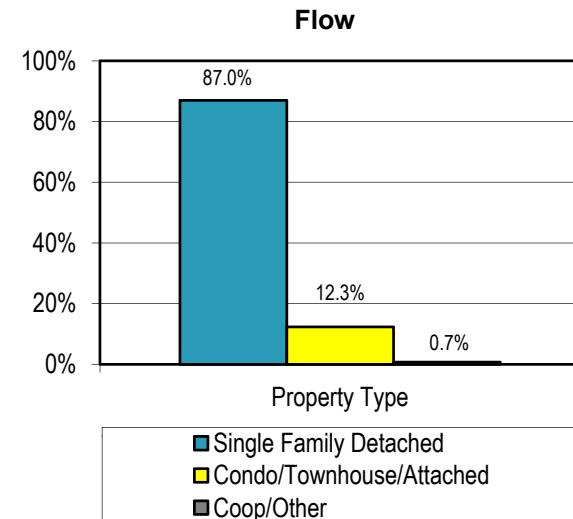
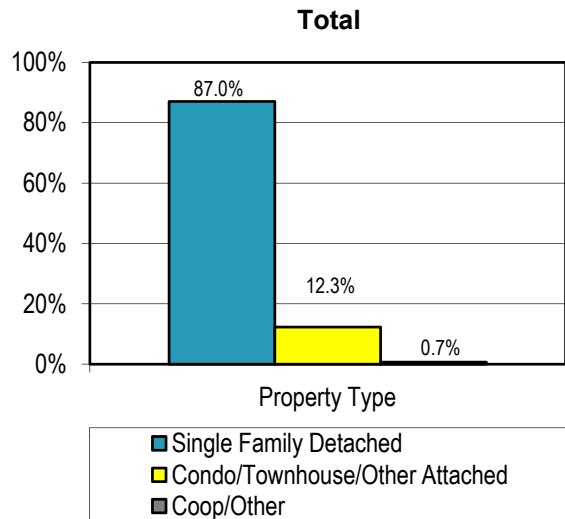
Note: Charts may not add to 100% due to rounding; FRM includes ARMs with initial reset periods of greater than 5 years, ARM I/O includes all ARMs regardless of reset period  
Approximately 97% of Remaining Bulk Interest Only ARMs have initial interest only periods of 5 years or more

# Primary Risk in Force December 31, 2014



Note: Charts may not add to 100% due to rounding

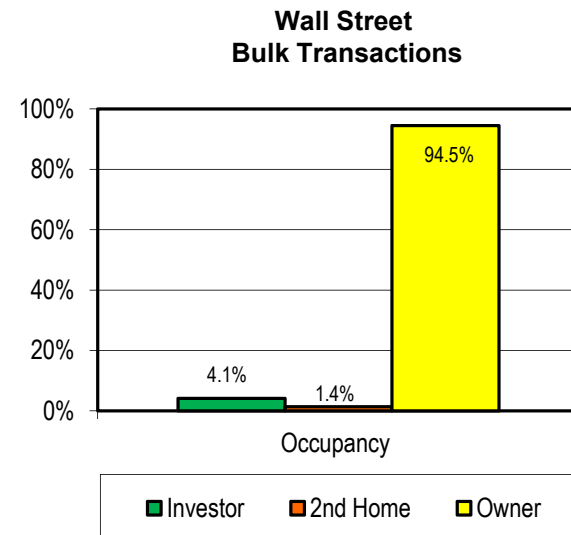
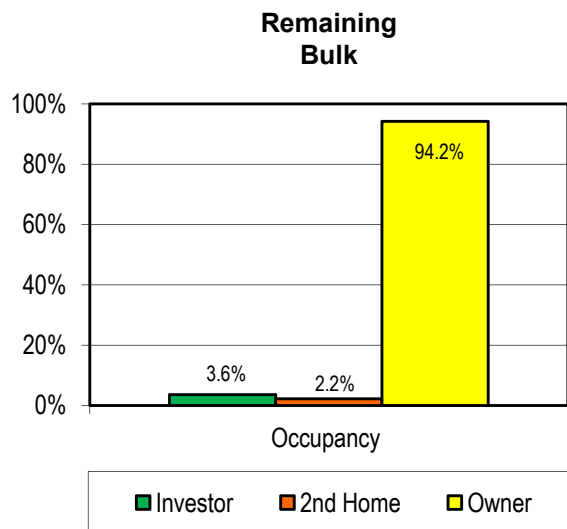
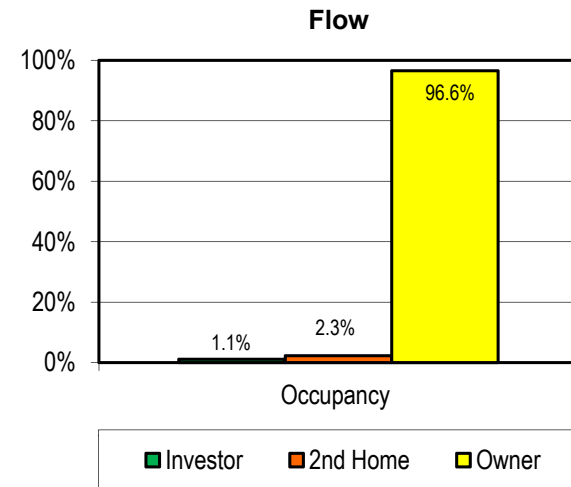
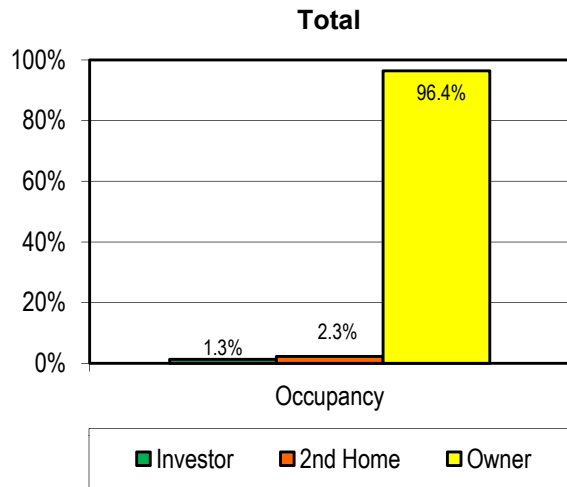
# Primary Risk in Force December 31, 2014



Note: Charts may not add to 100% due to rounding

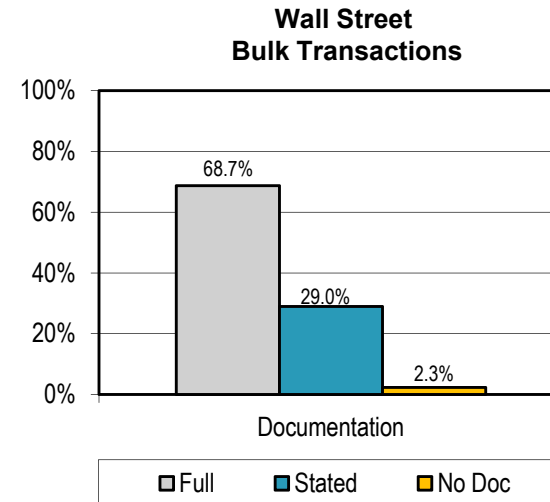
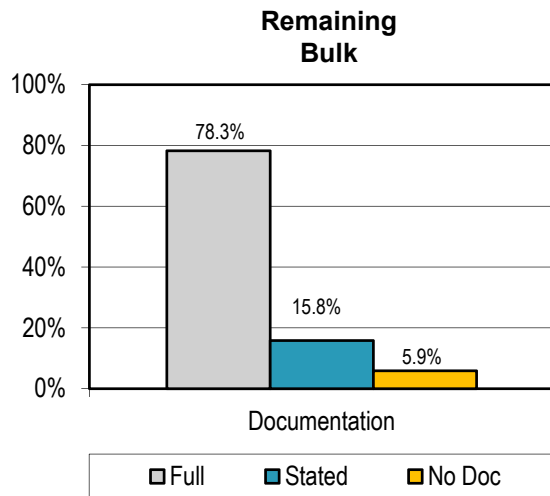
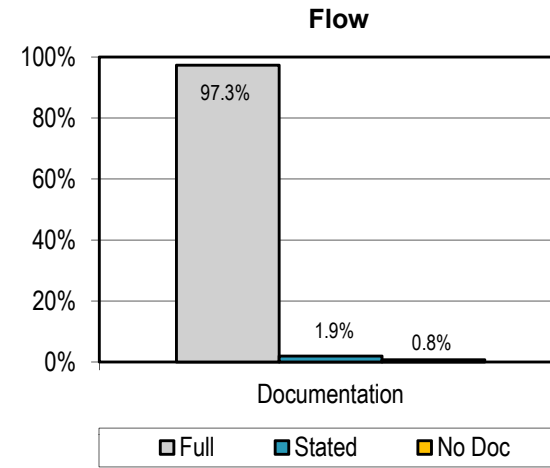
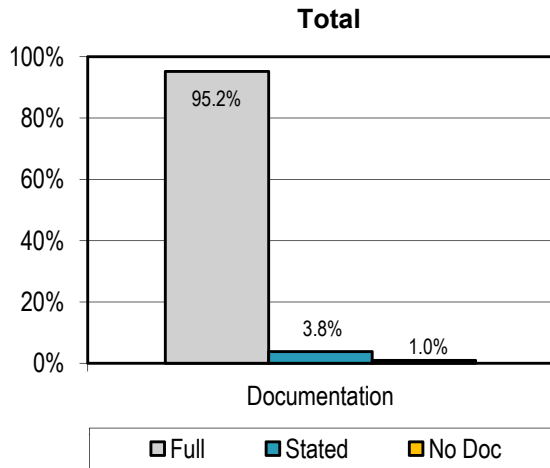


# Primary Risk in Force December 31, 2014



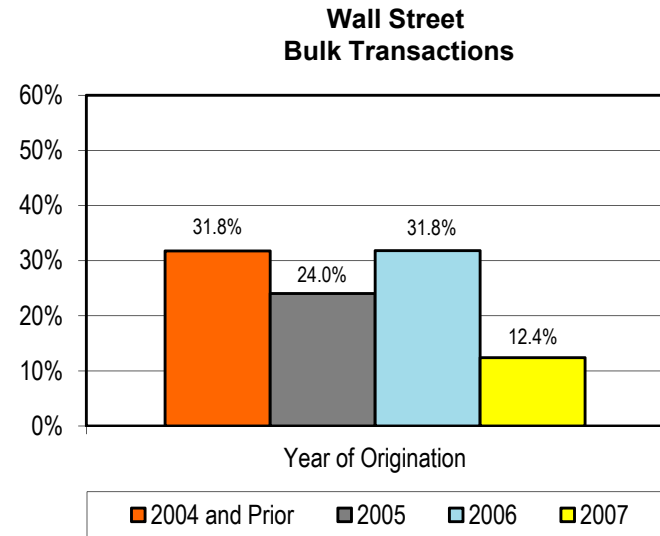
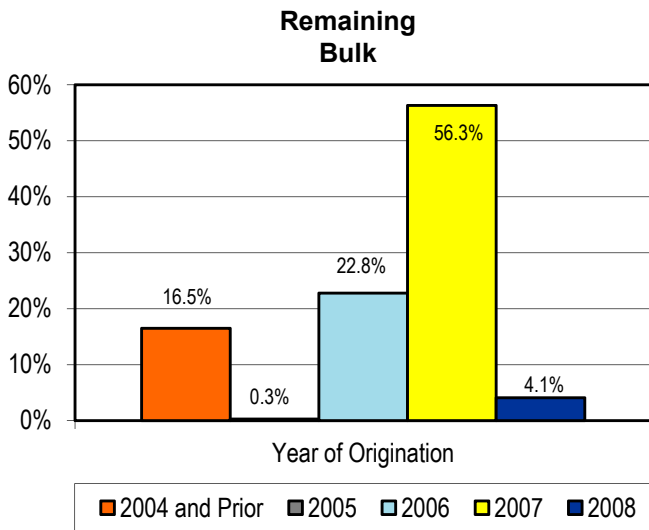
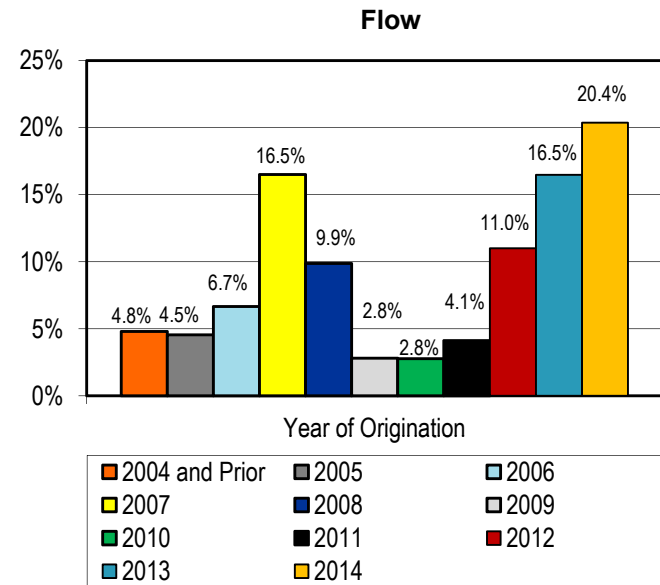
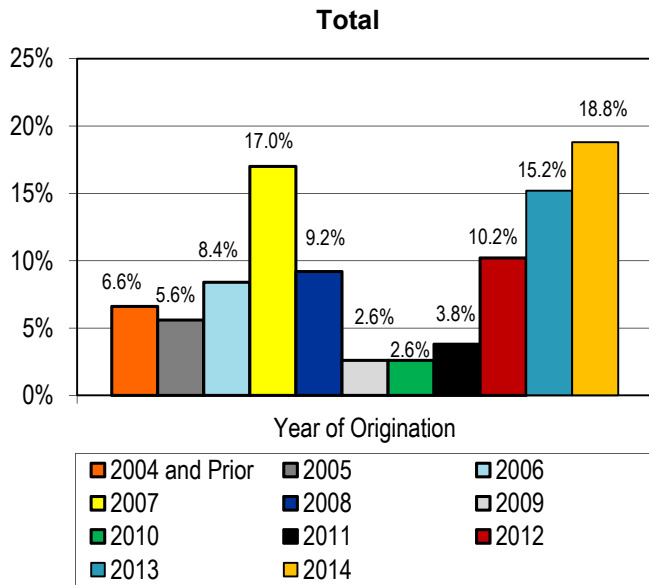
Note: Charts may not add to 100% due to rounding

# Primary Risk in Force December 31, 2014



*Note: Charts may not add to 100% due to rounding. In accordance with industry practice, loans approved by GSE and other automated underwriting (AU) systems under "doc waiver" programs that do not require verification of borrower income are classified by MGIC as "full doc." Based in part on information provide by the GSEs, MGIC estimates full doc loans of this type were approximately 4% of 2007 NIW. Information for other periods is not available. MGIC understands these AU systems grant such doc waivers for loans they judge to have higher credit quality. MGIC also understands that the GSEs terminated their "doc waiver" programs in the second half of 2008.*

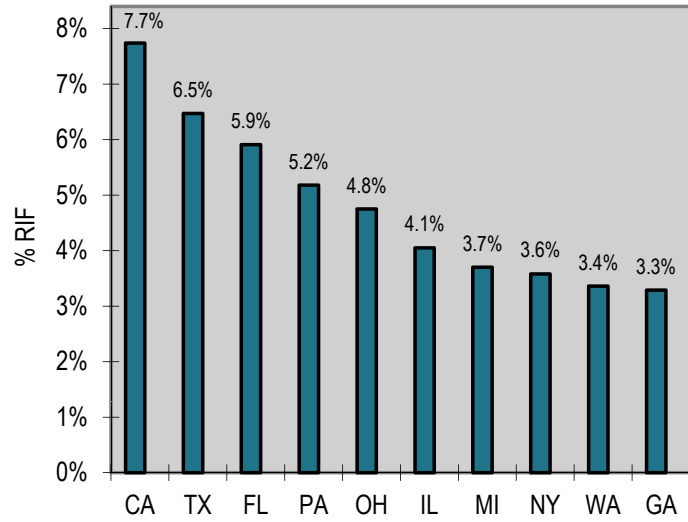
# Primary Risk in Force December 31, 2014



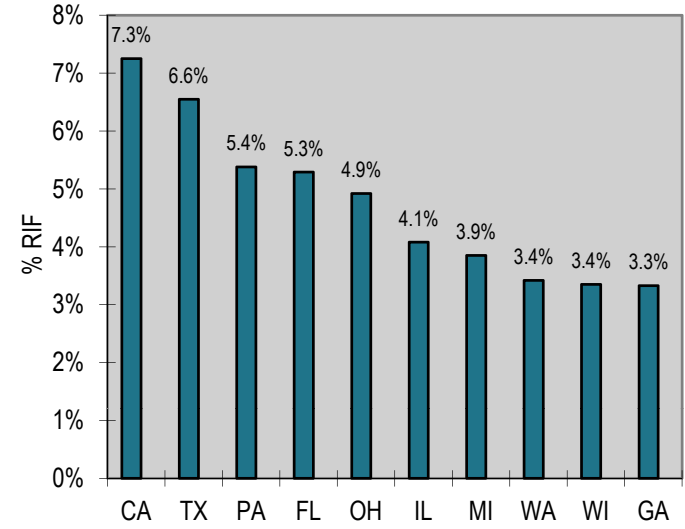
Note: Charts may not add to 100% due to rounding. Year of origination as displayed is determined by the calendar date the insurance was effective .

# Primary Risk in Force December 31, 2014

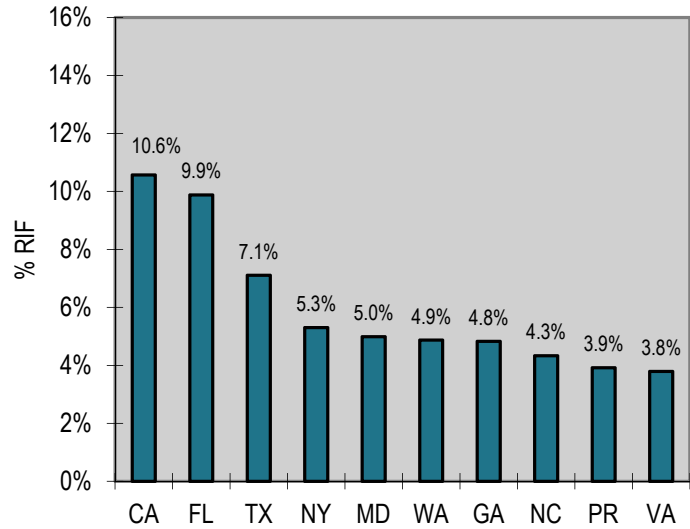
**Total**



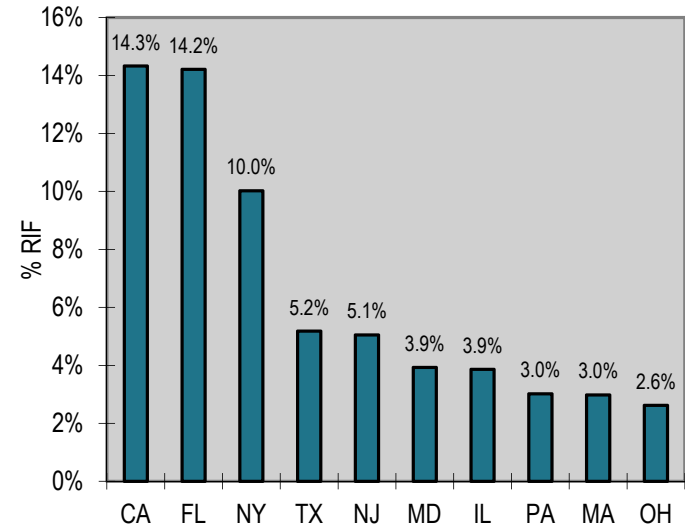
**Flow**



**Remaining Bulk**



**Wall Street Bulk Transactions**



## Primary Risk in Force December 31, 2014 Flow

Origination Year	Original Risk		Remaining		% of Loans Delinquent	% of Loans Never Delinquent	Number of New Notices Received in Quarter	% of New Notices that were Previously Delq	> 90% LTV	> 97% LTV	% FRM	% < 620	% Reduced				
	Written (billions)	\$	Risk in Force (billions)	\$									% Remaining of Original Risk	Doc (1)	% Purchase	% CA	% FL
2004 and Prior	N/A	\$	1.90	\$	N/A	16.6%	51.0%	3,296	91.4%	74.8%	27.2%	92.5%	10.1%	6.9%	81.0%	2.4%	7.9%
2005	\$	10.24	\$	1.80	17.5%	13.8%	60.6%	1,793	84.0%	73.1%	35.2%	88.6%	6.7%	7.6%	82.3%	1.6%	10.7%
2006	\$	10.14	\$	2.63	26.0%	13.9%	59.7%	2,835	85.3%	71.2%	41.8%	86.1%	8.1%	9.2%	80.7%	1.9%	8.8%
2007	\$	18.06	\$	6.53	36.2%	13.7%	58.2%	5,982	84.8%	74.3%	45.4%	86.2%	7.9%	7.5%	78.6%	6.5%	6.9%
2008	\$	10.49	\$	3.91	37.2%	7.7%	74.8%	1,971	76.8%	60.5%	16.4%	92.3%	1.8%	1.7%	75.7%	10.5%	4.1%
2009	\$	4.04	\$	1.13	28.0%	2.3%	94.1%	229	56.3%	41.8%	0.1%	99.2%	0.0%	0.0%	64.3%	4.4%	1.3%
2010	\$	3.05	\$	1.10	36.0%	1.3%	96.8%	129	50.4%	51.3%	0.0%	99.6%	0.0%	0.0%	73.1%	4.0%	1.3%
2011	\$	3.54	\$	1.63	46.0%	0.8%	98.2%	138	52.2%	58.8%	0.0%	99.7%	0.0%	0.0%	78.0%	5.3%	1.8%
2012	\$	6.10	\$	4.37	71.7%	0.4%	99.2%	176	39.8%	62.0%	0.0%	99.8%	0.0%	0.0%	72.2%	7.9%	2.1%
2013	\$	7.43	\$	6.52	87.8%	0.3%	99.5%	240	24.2%	64.9%	0.0%	99.8%	0.0%	0.0%	81.1%	9.2%	4.2%
2014	\$	8.28	\$	8.06	97.4%	0.1%	99.9%	156	10.9%	65.8%	0.0%	99.7%	0.0%	0.0%	90.2%	9.8%	6.1%

(1) Refer to footnote on page 9

Percentages based on remaining risk in force except for delinquency statistics which are based on the number of remaining loans.

Year of origination as displayed is determined by the calendar date the insurance was effective.

# Primary Risk in Force December 31, 2014

## WALL STREET BULK TRANSACTIONS

Origination Year	Original Risk Written (billions)	Remaining Risk in Force (billions)	% Remaining of Original Risk	% of Loans Delinquent	% of Loans Never Delinquent	Number of New Notices Received in Quarter	% of New Notices that were Previously Delq	<= 80% LTV	> 90% LTV	% Equity Refinance	% Pay Option ARM	% Indexed ARM	% < 620	% CA	% FL
2004 and Prior	\$ 22.77	\$ 0.82	3.6%	23.1%	32.1%	1,794	93.7%	35.9%	12.0%	63.8%	0.0%	19.7%	42.0%	11.9%	8.2%
2005	\$ 5.82	\$ 0.62	10.7%	31.0%	21.8%	743	93.8%	20.6%	22.5%	67.5%	0.2%	21.1%	45.8%	15.4%	15.9%
2006	\$ 3.79	\$ 0.83	21.8%	38.8%	14.0%	753	94.6%	22.0%	30.6%	63.4%	4.4%	18.1%	49.6%	17.4%	18.0%
2007	\$ 0.92	\$ 0.32	34.9%	42.1%	20.4%	328	95.1%	18.7%	29.6%	70.6%	0.5%	18.6%	52.7%	10.6%	16.5%

## REMAINING BULK

Origination Year	Original Risk Written (billions)	Remaining Risk in Force (billions)	% Remaining of Original Risk	% of Loans Delinquent	% of Loans Never Delinquent	Number of New Notices Received in Quarter	% of New Notices that were Previously Delq	<= 80% LTV	> 90% LTV	% Equity Refinance	% Pay Option ARM	% Indexed ARM	% < 620	% CA	% FL
2004 and Prior	\$ 6.34	\$ 0.13	2.0%	21.2%	35.9%	357	92.7%	50.1%	11.8%	55.7%	0.0%	13.0%	38.3%	8.2%	6.8%
2005	\$ 0.70	\$ 0.00	0.3%	16.7%	54.2%	8	100.0%	0.0%	67.4%	8.5%	0.0%	48.6%	29.5%	4.8%	3.8%
2006	\$ 2.19	\$ 0.17	7.9%	17.6%	52.3%	159	84.3%	17.3%	57.0%	30.5%	0.0%	4.9%	22.0%	5.1%	11.5%
2007	\$ 1.10	\$ 0.43	39.0%	14.1%	58.6%	301	89.0%	0.7%	80.6%	12.2%	0.0%	1.5%	4.4%	14.3%	10.8%
2008	\$ 0.18	\$ 0.03	17.2%	4.1%	86.9%	5	60.0%	0.1%	81.9%	3.9%	0.0%	0.0%	3.5%	0.5%	1.9%

Percentages based on remaining risk in force except for delinquency statistics which are based on the number of remaining loans.

Year of origination as displayed is determined by the calendar date the insurance was effective.

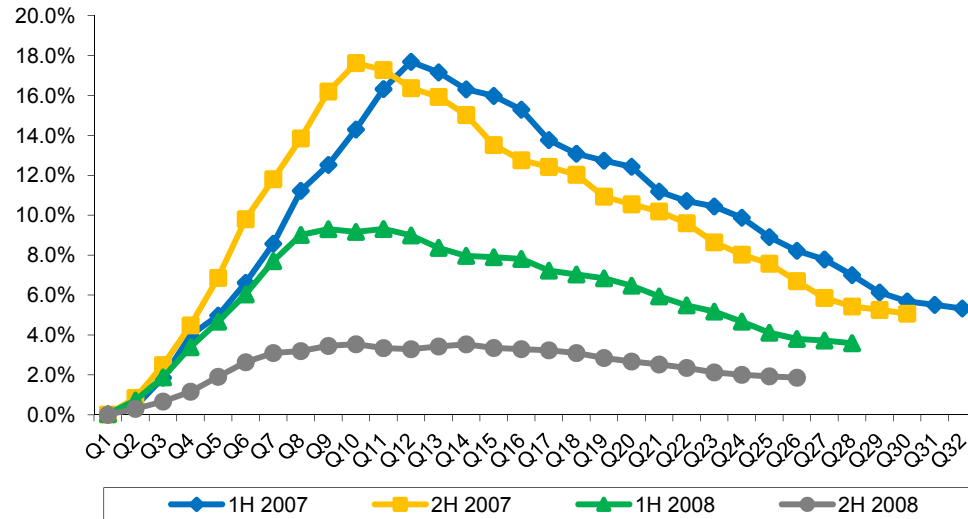
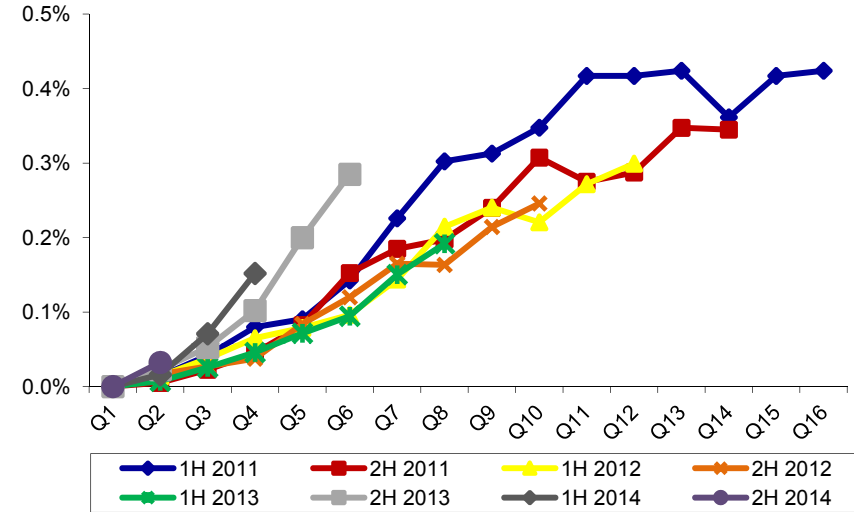
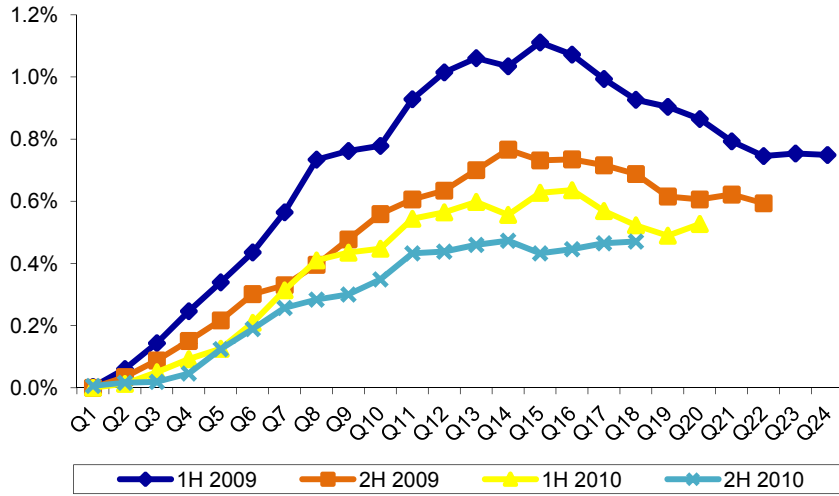
# Delinquency and Claim Data Primary Insurance - Flow Only December 31, 2014

	Delinquent Prime Loans	Delinquency Rate Prime Loans	Delinquent A Minus Loans	Delinquency Rate A Minus	Delinquent Sub-Prime Loans	Delinquency Rate Sub- Prime	Delinquent Reduced Documentation Loans (1)	Delinquency Rate Reduced Documentation Loans (1)	Number of Loans Where the FICO Score Was Not Reported	Delinquency Rate Where the FICO Score Was Not Reported	Total Flow Loans Delinquent	Total Flow Delinquency Rate	Ever to Date Paid Claims (millions)
2003 and Prior	5,264	16.34%	1,135	28.87%	327	33.06%	410	18.99%	148	7.66%	7,284	17.67%	N.M.
2004	3,349	13.33%	602	24.30%	123	31.22%	432	23.97%	63	12.60%	4,569	15.08%	\$ 823.4
2005	4,916	11.75%	788	23.84%	139	32.10%	955	29.22%	147	11.29%	6,945	13.85%	\$ 1,322.2
2006	6,760	11.41%	1,358	22.46%	315	32.61%	1,488	28.20%	191	13.65%	10,112	13.86%	\$ 1,890.3
2007	15,149	11.53%	3,682	26.63%	412	37.49%	2,058	22.80%	210	15.04%	21,511	13.73%	\$ 3,899.0
2008	5,951	7.10%	491	26.64%	15	32.61%	214	17.05%	27	10.89%	6,698	7.68%	\$ 920.8
2009	648	2.26%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	648	2.25%	\$ 44.8
2010	300	1.27%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	300	1.27%	\$ 9.5
2011	260	0.76%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	260	0.76%	\$ 3.8
2012	316	0.37%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	316	0.37%	\$ 1.5
2013	335	0.27%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	335	0.27%	\$ 0.1
2014	133	0.09%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	133	0.09%	\$ -
<b>Total</b>	<b>43,381</b>	<b>5.26%</b>	<b>8,056</b>	<b>25.63%</b>	<b>1,331</b>	<b>33.89%</b>	<b>5,557</b>	<b>24.38%</b>	<b>786</b>	<b>11.46%</b>	<b>59,111</b>	<b>6.65%</b>	

(1) Refer to footnote on page 9

# Flow Primary Risk in Force December 31, 2014

Static Pool Delinquency Rates  
Based on Loan Count



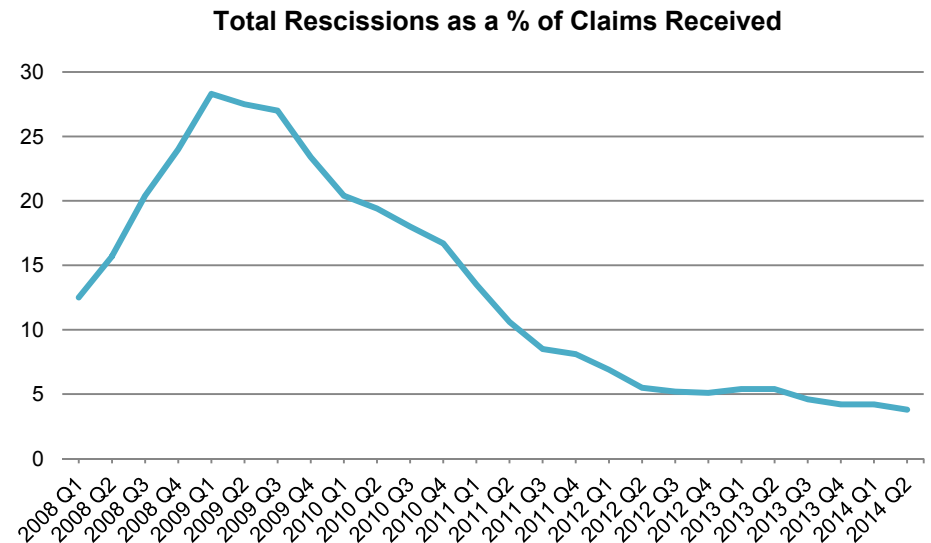
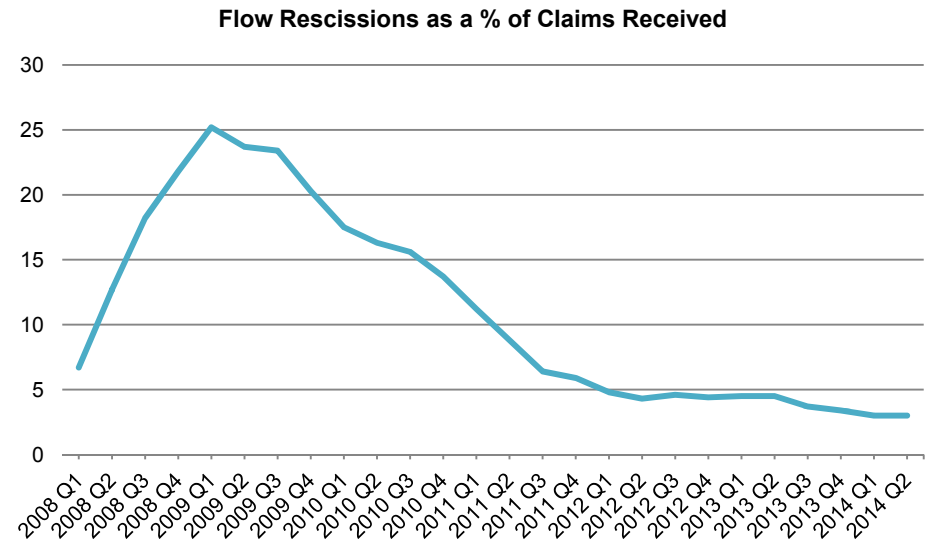
Static Pool Delinquency Rates = (total number of delinquent loans at the end of the stated reporting period) / (original number of loans insured in the 6 month periods shown)



# Cumulative Rescission Rates by Quarter Claim Received December 31, 2014

(Count Based)

	Claim Rec'd Qtr	Actual Rescission Rate	Claims Resolved %
BULK	2013 Q1	10.7	97.0
	2013 Q2	10.3	97.0
	2013 Q3	10.5	97.9
	2013 Q4	9.7	97.7
	2014 Q1	10.0	97.4
	2014 Q2	8.7	92.4
FLOW	2013 Q1	4.5	99.2
	2013 Q2	4.5	99.4
	2013 Q3	3.7	99.3
	2013 Q4	3.4	99.2
	2014 Q1	3.0	99.0
	2014 Q2	3.0	97.6
TOTAL	2013 Q1	5.4	98.8
	2013 Q2	5.4	99.0
	2013 Q3	4.6	99.1
	2013 Q4	4.2	99.0
	2014 Q1	4.2	98.7
	2014 Q2	3.8	96.8



1) Rescission rates include claims that have been rescinded or denied that would have otherwise been charged to a deductible.

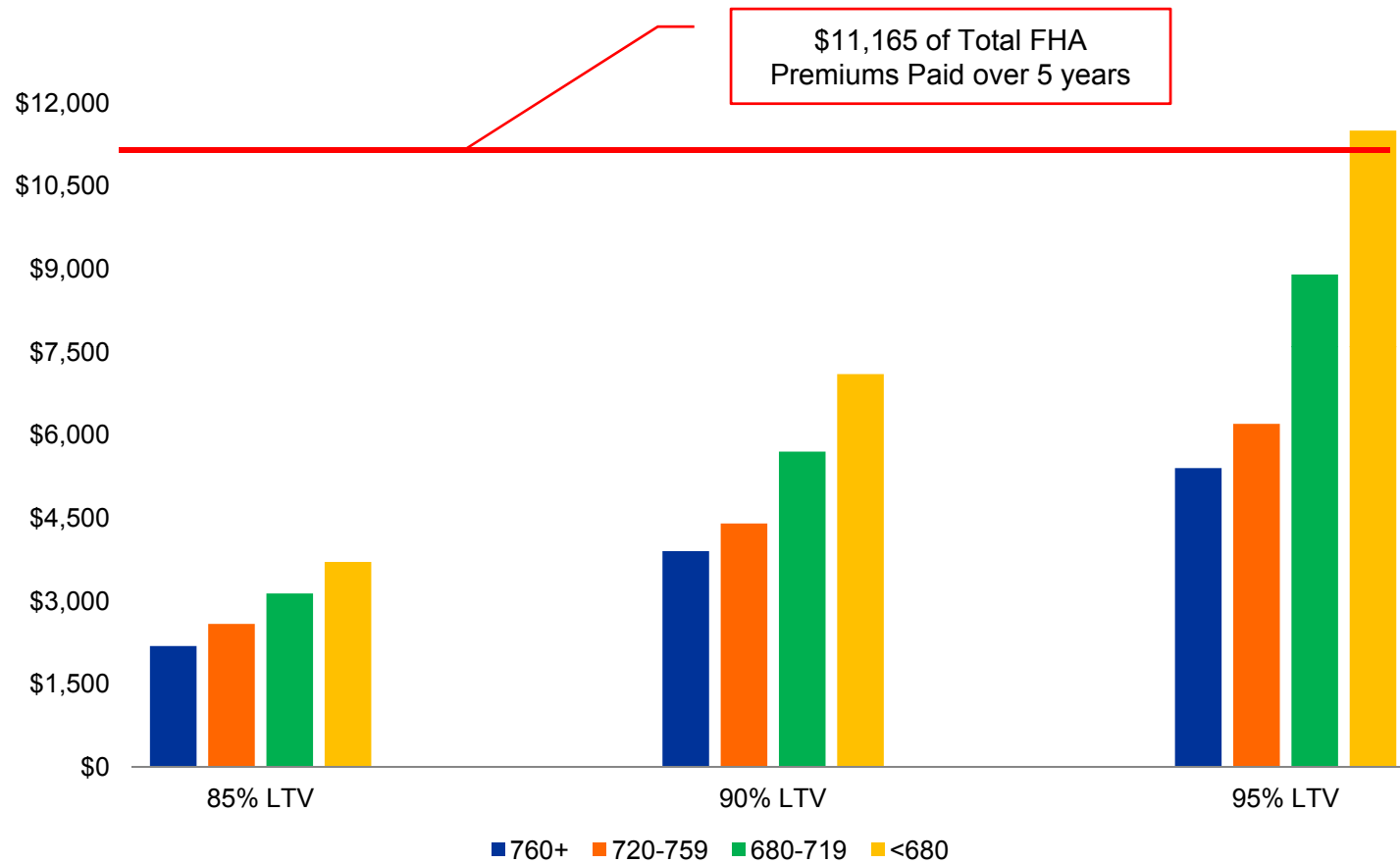
2) Rescission Rate = Number of Rescinded Claims / Total Number of Claims Received in the Quarter

# New Insurance Written Characteristics

## Q4 2014

- 84% 700 and > credit score  
Weighted Average FICO: 748
- 17.0%      Single Premium
- 13.0%      < 85.01% LTV
- 31.7%      85.01 - 90% LTV
- 53.4%      90.01 - 95% LTV
- 1.9%              > 95% LTV

# Total Insurance Cost over 5 Years



**Assumptions:**

\$200,000 loan amount at 4.5% interest for a 30 year fixed rate mortgage. FHA cost is total of upfront FHA premium of 1.75% times the original loan amount plus 80 basis points annually on the outstanding loan amount. MI cost is the annual borrower paid premium assuming a level monthly payment premium plan. MGIC Borrower Paid Monthly Premiums, go to [http://www.mgic.com/pdfs/71-61210\\_bpmi\\_monthly.pdf](http://www.mgic.com/pdfs/71-61210_bpmi_monthly.pdf) for more detail.

# Conventional Loan with MI vs. FHA Insured Loan Monthly Payment Comparison <sup>(1)</sup>



90% LTV	Estimated Monthly Payment Using FHA Insurance Before FHA Premium Reduction	Estimated Monthly Payment Using FHA Insurance After FHA Premium Reduction	Estimated Monthly Payment Using MGIC Insurance
760 and >	\$1,160	\$1,078	\$1,010
740 - 759	\$1,160	\$1,078	\$1,018
720 - 739	\$1,160	\$1,078	\$1,018
700 - 719	\$1,160	\$1,078	\$1,054
680 - 699	\$1,160	\$1,078	\$1,054
660 - 679	\$1,160	\$1,078	\$1,106
640 - 659	\$1,160	\$1,078	\$1,120
620 - 639	\$1,160	\$1,078	\$1,135

Private MI Monthly Payment Cheaper than FHA After Price Reduction

Private MI Monthly Payment Cheaper than FHA Before Price Reduction

**Assumptions:**

\$220,000 Purchase Price, Owner-Occupied  
 MGIC Borrower Paid Monthly Premiums, go to [http://www.mgic.com/pdfs/71-61210\\_bpmi\\_monthly.pdf](http://www.mgic.com/pdfs/71-61210_bpmi_monthly.pdf) for more detail  
 Conventional 30-Year FRM Rate of 4.00% to 4.625 depending on FICO score  
 FHA 30-Year FRM Rate of 3.875%  
 GSE Loan Level Price Adjustments dated January 8, 2015 are considered  
 FHA Upfront Premium is added to loan amount  
 All other closing costs and third-party fees are the same

1) Monthly payment only, no consideration given for the fact that FHA is non-cancellable and results in less equity build up due to up-front premium being added to the loan amount.

# Conventional Loan with MI vs. FHA Insured Loan Monthly Payment Comparison <sup>(1)</sup>



95% LTV	Estimated Monthly Payment Using FHA Insurance Before FHA Premium Reduction	Estimated Monthly Payment Using FHA Insurance After FHA Premium Reduction	Estimated Monthly Payment Using MGIC Insurance
760 and >	\$1,225	\$1,138	\$1,092
740 - 759	\$1,225	\$1,138	\$1,106
720 - 739	\$1,225	\$1,138	\$1,106
700 - 719	\$1,225	\$1,138	\$1,168
680 - 699	\$1,225	\$1,138	\$1,168
660 - 679	\$1,225	\$1,138	\$1,244
640 - 659	\$1,225	\$1,138	\$1,259
620 - 639	\$1,225	\$1,138	\$1,275

Private MI Monthly Payment Cheaper than FHA After Price Reduction

Private MI Monthly Payment Cheaper than FHA Before Price Reduction

**Assumptions:**

\$220,000 Purchase Price, Owner-Occupied  
 MGIC Borrower Paid Monthly Premiums, go to [http://www.mgic.com/pdfs/71-61210\\_bpml\\_monthly.pdf](http://www.mgic.com/pdfs/71-61210_bpml_monthly.pdf) for more detail  
 Conventional 30-Year FRM Rate of 4.00% to 4.625 depending on FICO score  
 FHA 30-Year FRM Rate of 3.875%  
 GSE Loan Level Price Adjustments dated January 8, 2015 are considered  
 FHA Upfront Premium is added to loan amount  
 All other closing costs and third-party fees are the same

1) Monthly payment only, no consideration given for the fact that FHA is non-cancellable and results in less equity build up due to up-front premium being added to the loan amount.