

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(D) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 6, 2007

Radian Group Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-11356

(Commission File Number)

23-2691170

(IRS Employer Identification No.)

1601 Market Street, Philadelphia, Pennsylvania
(Address of Principal Executive Offices)

19103
(Zip Code)

215-231-1000

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Information.

On February 6, 2007, Radian and MGIC Investment Corporation, a Wisconsin corporation ("MGIC"), issued a joint press release, announcing their agreement to merge. Subsequent to the initial release, Radian and MGIC corrected a typographical error in the release relating to restructuring charges anticipated in connection with the proposed merger. A copy of the press release (as corrected) is attached as Exhibit 99.1 to this report and is incorporated into this Item 8.01 as if fully set forth herein. In addition, Radian is filing with this report the following items related to the transaction described in the press release:

- Presentation slides made available on Radian's website in connection with a joint investor conference held on February 6, 2007;
- Correspondence from S.A. Ibrahim, Radian's Chief Executive Officer, to Radian employees, announcing the transaction;
- A series of questions and answers regarding the transaction made available on Radian's website; and
- A merger overview made available on Radian's website.

* * *

MGIC and Radian will be filing a joint proxy statement/prospectus and other relevant documents concerning the MGIC/Radian merger transaction with the United States Securities and Exchange Commission (the "SEC"). SHAREHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER TRANSACTION OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders will be able to obtain free copies of the joint proxy statement/prospectus, as well as other filings containing information about MGIC and Radian, without charge, at the SEC's Internet site (<http://www.sec.gov>). In addition, documents filed with the SEC by MGIC will be available free of charge by contacting Investor Relations at Mortgage Guaranty Investment Corporation, 250 East Kilbourn Avenue, Milwaukee, WI 53202. Documents filed with the SEC by Radian will be available free of charge by calling Investor Relations at (215) 231-1486.

Radian and MGIC and their respective directors and executive officers and certain other members of management and employees are expected to be participants in the solicitation of proxies from Radian shareholders and MGIC shareholders in respect of the proposed merger transaction. Information regarding the directors and executive officers of Radian is available in the proxy statement for its May 9, 2006 annual meeting of shareholders, which was filed with the SEC on April 18, 2006. Information regarding the directors and executive officers of MGIC is available in the proxy statement for its May 11, 2006 annual meeting of shareholders, which was filed with the SEC on March 30, 2006. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus relating to the merger transaction and the other relevant documents filed with the SEC when they become available.

All statements contained herein and in the filed exhibits that address events or developments that we expect or anticipate may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Radian and MGIC, including future financial and operating results, the new Company’s plans, objectives, expectations and intentions and other statements that are not historical facts. These statements are made on the basis of management’s current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking information. The forward-looking statements, as well as Radian’s prospects as a whole, are subject to risks and uncertainties, including the following: changes in general financial and political conditions such as extended national or regional economic recessions (or expansions), changes in housing demand or mortgage originations, changes in housing values, population trends and changes in household formation patterns, changes in unemployment rates, changes or volatility in interest rates or consumer confidence, or changes in credit spreads; changes in investor perception of the strength of private mortgage insurers or financial guaranty providers, and risks faced by the businesses, municipalities or pools of assets covered by Radian’s insurance; the loss of a customer with whom Radian has a concentration of its insurance in force or the influence of large customers; increased severity or frequency of losses associated with certain Radian products that are riskier than traditional mortgage insurance and municipal guaranty insurance policies; material changes in persistency rates of Radian’s mortgage insurance policies; downgrades of Radian’s credit ratings or the insurance financial-strength ratings assigned by the major ratings agencies to Radian’s operating subsidiaries; heightened competition from other insurance providers and from alternative products to private mortgage insurance and financial guaranty insurance; changes in the charters or business practices of Fannie Mae and Freddie Mac; the application of federal or state consumer-lending, insurance and other applicable laws and regulations, or unfavorable changes in these laws and regulations or the way they are interpreted, including: (i) the possibility of private lawsuits or investigations by state insurance departments and state attorneys general alleging that services offered by the mortgage insurance industry, such as captive reinsurance, pool insurance and contract underwriting, are violative of the Real Estate Settlement Procedures Act and/or similar state regulations (particularly in light of public reports that some state insurance departments are investigating captive reinsurance arrangements used in the mortgage insurance industry), or (ii) legislative and regulatory changes affecting demand for private mortgage insurance or financial guaranty insurance; the possibility that we may fail to estimate accurately the likelihood, magnitude and timing of losses in connection with establishing loss reserves for our mortgage insurance or financial guaranty businesses or to estimate accurately the fair value amounts of derivative financial guaranty contracts in determining gains and losses on these contracts; changes in accounting guidance from the SEC or the Financial Accounting Standards Board regarding income recognition and the treatment of loss reserves in the mortgage insurance or financial guaranty industries; changes in claims against mortgage insurance products resulting from the aging of Radian’s mortgage insurance policies; vulnerability to the performance of Radian’s strategic investments; changes in the availability of affordable or adequate reinsurance for our non-prime risk; legal and other limitations on the amount of dividends we may receive from our insurance subsidiaries; international expansion of our mortgage insurance and financial guaranty businesses into new markets and risks associated with our international business activities; risks associated with the Radian/MGIC transaction, including the ability to obtain regulatory approvals of the Radian/MGIC transaction on the proposed terms and schedule; the failure of Radian or MGIC stockholders to approve the transaction; the risk that the businesses will not be integrated successfully; customer attrition and disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to

realize than expected; competition and its effect on pricing, spending, third-party relationships and revenues; movements in market interest rates and secondary market volatility; potential sales of assets in connection with the merger; and unfavorable changes in economic and business conditions or the regulatory environment.

For more information regarding these risks and uncertainties, as well as certain additional risks that we face, investors should refer to the risk factors detailed in Part I, Item 1A in our annual report on Form 10-K for the year ended December 31, 2005 and the changes to these risks identified in our quarterly report on Form 10-Q for the quarter ended June 30, 2006 and any similar reports filed in the future. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date of this report. Radian does not intend to and disclaims any duty or obligation to update or revise any forward-looking statements made in this report to reflect new information, future events or for any other reason.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 99.1 Press release issued jointly by Radian Group Inc. and MGIC Investment Corporation, dated February 6, 2007.
- 99.2 Presentation slides in connection with the February 6, 2007 joint investor presentation of Radian Group Inc. and MGIC Investment Corporation.
- 99.3 Correspondence from S.A. Ibrahim, Radian's Chief Executive Officer, to Radian employees, dated February 6, 2007.
- 99.4 Questions and Answers Regarding the Radian/MGIC Investment Corporation transaction, posted to Radian's website February 6, 2007.
- 99.5 Merger overview, posted to Radian's website February 6, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RADIAN GROUP INC.

Date: February 6, 2007

By: /s/ Edward J. Hoffman

Edward J. Hoffman

Vice President and Securities Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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FOR IMMEDIATE RELEASE

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Or

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MGIC Investment Corporation and Radian Group Inc. to Merge

MILWAUKEE and PHILADELPHIA, February 6, 2007 - MGIC Investment Corporation (NYSE: MTG), "MGIC", and Radian Group Inc. (NYSE: RDN), "Radian", today announced they have agreed to merge, forming a preeminent mortgage and credit risk insurer.

The new company, to be called MGIC Radian Financial Group Inc., will have nearly \$15 billion in total assets, more than \$290 billion of primary mortgage insurance in force and a financial guaranty portfolio approximating \$104 billion of net par outstanding.

The agreement provides for a stock-for-stock merger in which 0.9658 shares of MGIC common stock will be exchanged for each share of Radian common stock. The merger is intended to qualify as a "tax-free reorganization" for U.S. shareholders. Based upon the closing stock prices of both companies on February 5, 2007, the pro forma combined market capitalization of the new institution would be approximately \$10 billion.

Curt S. Culver, current chairman and chief executive officer of MGIC, will serve as chairman and chief executive officer of the combined company. S.A. Ibrahim, current chief executive officer of Radian, will serve as the president and chief operating officer of the combined company. Mr. Ibrahim will succeed Mr. Culver as chief executive officer of MGIC Radian Financial Group Inc. in 2009 and as chairman in 2010.

-MORE-

The board of directors will initially be comprised of six members designated by MGIC and five members designated by Radian, but promptly following the consummation of the merger, MGIC Radian Financial Group Inc. will nominate for director an additional Radian director to stand for election by the combined company's shareholders. The combined company's headquarters will be located in Milwaukee, Wisconsin, and have operations in New York, Philadelphia, and internationally.

The combined company will have a broad and balanced mix of businesses including domestic mortgage insurance, financial guaranty, financial services and international credit enhancement.

"Radian shares MGIC's passion for delivering superior customer service, and the combined company will be in an excellent position to raise these service standards even higher," said Mr. Culver. "Our companies have similar goals and shared values regarding increasing shareholder value. We will take a deliberate, methodical approach to integrating our companies, making certain that customers continue to receive high quality service and that our shareholders realize the potential benefits of this merger."

Mr. Ibrahim also expressed his enthusiasm for the merger, saying: "I am confident the new MGIC Radian Financial Group will emerge as a premier U.S. and international mortgage insurer and credit enhancement provider, delivering superior shareholder returns by combining the best talent, analytics, systems and processes, and the disciplined risk management cultures of both companies.

"Our businesses complement each other in many ways, and, led by one of the most experienced management teams in the business, we will have an even greater ability to meet the credit enhancement needs of capital markets worldwide," Mr. Ibrahim continued. "The appeal of this merger is compelling by any measure – strategically, financially and operationally."

-MORE-

The combined company expects to realize aggregate cost savings of \$128 million, pre-tax. Approximately 75 percent of this benefit is expected to be realized in 2008 and the full run-rate of cost savings is expected to be realized in 2009. The expected annual cost savings represent approximately 24 percent of the pro forma combined operating expense base. The combined company expects to incur restructuring costs of approximately \$125 – \$150 million, after-tax.

The transaction has been unanimously approved by each company's board of directors and is expected to be completed in the fourth quarter of 2007, subject to regulatory and shareholder approvals. Assuming the achievement of planned cost reductions, on a GAAP basis the transaction is expected to be 2.8 percent accretive to MGIC's earnings per share in 2008 and 6.3 percent accretive to MGIC's earnings per share in 2009. On a cash basis, which excludes the impact of non-cash items such as the amortization of intangibles, the transaction is expected to be 6.7 percent accretive to MGIC's earnings per share in 2008 and 9.5 percent accretive to MGIC's earnings per share in 2009. To Radian, on a GAAP basis the transaction is expected to be 4.7 percent accretive to Radian's earnings per share in 2008 and 8.2 percent accretive to Radian's earnings per share in 2009.

As part of the transaction, it currently is expected MGIC Radian Financial Group will initially pay a dividend of \$0.25 per share per quarter, which is the current MGIC quarterly dividend rate and represents an increase of \$0.23 per share per quarter for Radian shareholders. All dividends are subject to applicable law and the discretion of the applicable company's board of directors.

MGIC and Radian have designated key members of the new company's senior management team. Leading the combined company will be: J. Michael Lauer, chief financial officer; Patrick Sinks, head of domestic mortgage insurance; Stephen Cooke, head of financial guaranty; Mark Casale, head of capital markets; Jeffrey Lane, general counsel; Lawrence Pierchalski, head of risk management; Lawrence DelGatto, chief information officer; Robert Croner, head of human resources; Teresa Bryce, head of strategic planning and corporate secretary and Martin Wood, head of international mortgage insurance.

-MORE-

MGIC was represented in this transaction by the investment banking firm of Goldman, Sachs & Co. and the law firm of Foley & Lardner LLP. Radian was represented by the investment banking firm of Lehman Brothers and the law firm of Wachtell, Lipton, Rosen & Katz.

About MGIC Investment Corporation

MGIC Investment Corporation (<http://www.MGIC.com>) is a holding company which, through its wholly owned subsidiary Mortgage Guaranty Insurance Corporation (“MGIC”), is a provider of private mortgage insurance in the United States with \$176.5 billion primary insurance in force covering 1.3 million mortgages as of December 31, 2006. MGIC serves approximately 5,000 lenders with locations across the country and in Puerto Rico, helping families achieve homeownership sooner by making affordable low-down-payment mortgages a reality. In addition to mortgage insurance on first liens, the company, through other subsidiaries, provides lenders with various underwriting and other services and products related to home mortgage lending. The company also has strategic interests in active credit-based consumer asset businesses.

About Radian

Radian Group Inc. (<http://www.Radian.biz>) is a global credit risk management company headquartered in Philadelphia, Pennsylvania with significant operations in New York and London. Radian develops innovative financial solutions by applying its core mortgage credit risk expertise and structured finance capabilities to the credit enhancement needs of the capital markets worldwide, primarily through credit insurance products. The company also provides credit enhancement for public finance and other corporate and consumer assets on both a direct and reinsurance basis and holds strategic interests in active credit-based consumer asset businesses.

-MORE-

Investment Community Conference Call Today (Tuesday), 10 a.m. EDT, 9 a.m. CDT

MGIC and Radian will hold an informational call for the investment community today at 10 a.m. EDT (9 a.m. CDT). Telephone access to the call may be obtained by dialing 1-866-814-1913. Internet access to the call and to supporting materials will be made available through the Investor Relations section of each company's Web site at www.mgic.com or www.radian.biz.

Both Internet and telephone replay of the call will be available until March 6, 2007. The Internet replay may be accessed through the Investor Relations section of each company's Web site at www.mgic.com or www.radian.biz. The telephone replay will be available to U.S. callers at 1-888-266-2081. The access code for both will be 1039744.

Press Conference Call Today (Tuesday) Afternoon, 2:00 p.m. – 2:30 p.m. EDT, 1:00 p.m. – 1:30 p.m. CDT

MGIC and Radian will hold a press conference call for the media today from 2:00 p.m. – 2:30 p.m. EDT (1:00 p.m. – 1:30 p.m. CDT). Telephone access to the call may be obtained by dialing 1-866-225-4091.

Forward Looking Statements

Discussions made in this press release that are not statements of historical fact (including statements that include terms such as "will," "may," "should," "believe," "expect," "anticipate," "estimate," "intend," and "plan") are forward-looking statements that involve risks and uncertainties. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Radian and MGIC, including future financial and operating results, the new company's plans, objectives, expectations and intentions and other statements that are not historical facts.

-MORE-

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the failure of Radian or MGIC to approve the transaction; the risk that the businesses will not be integrated successfully; customer attrition and disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; competition and its effect on pricing, spending, third-party relationships and revenues; movements in market interest rates and secondary market volatility; potential sales of assets in connection with the merger; legislative and regulatory changes affecting demand for private mortgage insurance or financial guaranty insurance; downgrades of the insurance financial-strength ratings assigned by the major ratings agencies to Radian's and MGIC's operating subsidiaries and unfavorable changes in economic and business conditions. Additional factors that may affect future results are contained in Radian's and MGIC's filings with the SEC, which are available at the SEC's website <http://www.sec.gov>. Radian and MGIC disclaim any obligation to update and revise statements contained in these materials based on new information or otherwise.

Additional Information

The proposed merger will be submitted to shareholders of MGIC Investment Corporation and Radian Group Inc. for their consideration. Shareholders are urged to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information. Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about MGIC and Radian, without charge, at the Securities Exchange Commission's Internet site (www.sec.gov). You will also be able to obtain these documents, free of charge, by accessing MGIC's website (<http://www.mgic.com>) or Radian's website (<http://www.radian.biz>). Copies of the joint proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Michael Zimmerman, Vice President Investor Relations, 250 E. Kilbourn, Milwaukee, WI 53092 or Mona Zeehandelaar, Senior Vice President, Investor Relations and Corporate Communications, 1601 Market Street, Philadelphia, PA 19103

MGIC Investment Corporation and Radian Group Inc., their respective directors and executive officers and other persons may be deemed to be participants in the solicitations of proxies from the shareholders of MGIC Investment Corporation and/or Radian Group Inc. in respect of the proposed merger. Information regarding MGIC Investment Corporation's directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by MGIC on March 30, 2006, and information regarding Radian Group Inc's directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by Radian on April 18, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available.

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MGIC Radian Financial Group

Creating a Preeminent
Mortgage and Credit Risk Insurer

February 6, 2007

MGIC

MGIC Radian Financial Group

RADIAN

Forward Looking Statement

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MGIC Radian Financial Group



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MGIC

MGIC Radian Financial Group

RADIAN ²

Compelling Strategic Transaction

Leadership and Scale

Enhanced Operating Platform

Financially Compelling

Synergistic Transaction



Creating Shareholder Value

Compelling Strategic Transaction

Leadership and Scale

- A premier mortgage insurer – \$290bn of combined insurance in-force; \$98bn of NIW in 2006
- Experienced and strong combined management team
- Increased financial strength and flexibility from larger size
- Complementary businesses – mortgage insurance, financial guaranty, C-BASS and Sherman

Enhanced Operating Platform

- Significant operating efficiencies
- Complementary mix of revenues / earnings
- Stronger platform for growth – international opportunities
- Attractive risk profile – diverse geography, business mix

Financially Compelling

- Financially accretive to both companies' EPS
- Significant cost savings opportunities
- Strong capital base
- Substantial excess capital generation

MGIC

MGIC Radian Financial Group

RADIAN ⁴

Overview of Transaction Terms

Structure	0.9658 MGIC shares per Radian share Market-for-market exchange (based on February 2, 2007 market close)
Consideration	100% Stock
Name	MGIC Radian Financial Group – Mortgage Insurance business: MGIC – Financial Guaranty business: Radian Guaranty
Locations	Headquarters: Milwaukee, WI – Mortgage Insurance: Milwaukee, WI; Philadelphia, PA; International – Financial Guaranty: New York, NY; International
Leadership	CC, Chairman and CEO until two years post closing SAI, President and COO; assumes CEO title two years post closing Senior management positions identified
Board Composition	6 MGIC directors (including Chairman); 5 independents 5 Radian directors (including Lead Director); 4 independents – To be increased to 6 directors, 5 independents upon election by shareholders following consummation of the merger
Dividend	\$1.00 per share (current MGIC dividend)
Approvals	Normal shareholder and regulatory approvals
Due Diligence	Completed
Timing	Expected closing fourth quarter of 2007 Subject to regulatory approvals and approval of shareholders of both companies



MGIC Radian Financial Group



Highly Experienced Management Team

Organization Chart Post-Closing

Title	Post-Closing	Industry Experience (Years)
Chief Executive Officer	Curt Culver	31
President / Chief Operating Officer	S.A. Ibrahim	25
Mortgage Insurance Company	Pat Sinks	28
Financial Guaranty Company	Stephen Cooke	23
Chief Financial Officer	Mike Lauer	17
Capital Markets	Mark Casale	20
General Counsel	Jeff Lane	10
Risk	Larry Pierzchalski	24
Technology / Information	Lawrence DelGatto	22
Human Resources	Rob Croner	27
Corporate Strategy / Corporate Secretary	Teresa Bryce	23
International	Martin Wood	11



MGIC Radian Financial Group

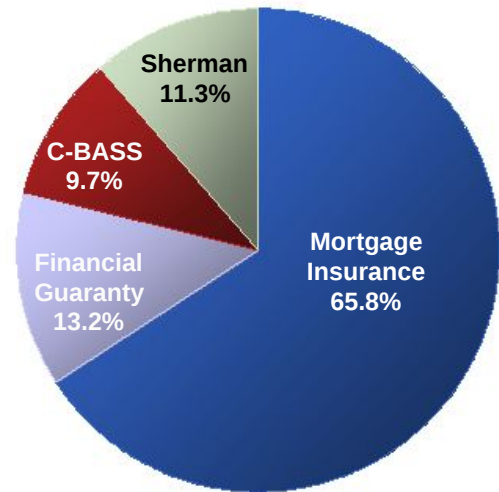


Pro Forma Franchise and Earnings

Combined Businesses

- Mortgage insurance franchise
 - \$290bn of insurance in force
 - \$98bn of 2006 NIW
- Financial guaranty business
 - Strong AA franchise
 - \$104bn of net par outstanding
- Financial services businesses
 - C-BASS: A market leader in purchasing, servicing and investing in “credit sensitive” residential mortgage assets
 - \$291mm in 2006 pre-tax net income
 - Sherman: The nation’s largest buyer and servicer of unsecured distressed consumer debt
 - \$347mm in 2006 pre-tax net income

Pro Forma Net Income Mix ⁽¹⁾



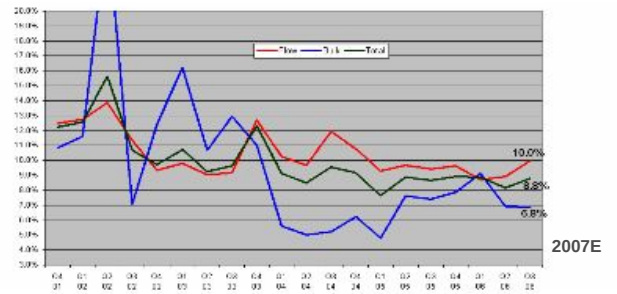
2006 Total: \$1.1 billion

1. Assumes restructuring of C-BASS and Sherman stakes to reduced ownership of 49.9% (pro forma reflects sale of stake, review of other potential alternatives).

MGIC Radian Mortgage Insurance Business

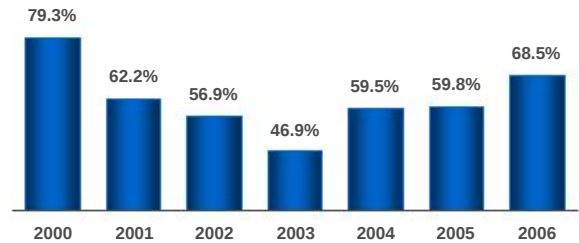
- Scale provides significant operating efficiencies
 - Best practices of both companies
 - Single technology platform for MI business
- Maintain sound risk profile
- Leading product capabilities
 - Capital market solutions
 - Credit default swaps
 - Bulk / flow
- Well positioned to succeed across mortgage products and volume cycles

Increasing MI Penetration Rates



Source: Inside Mortgage Finance and Inside MBS
 Flow Penetration = Flow NIW / Total Origination volume – Non Agency MBS Issuance
 Bulk Penetration = Bulk NIW / Non Agency MBS Issuance

Persistency Continues to Recover⁽¹⁾



1. Represents median of MGIC and Radian.

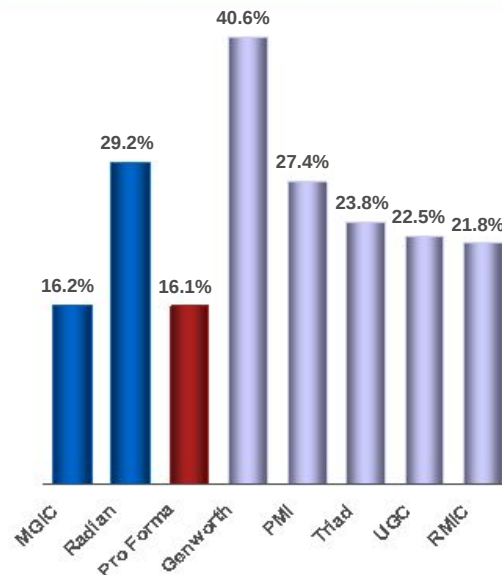
Increased Scale and Operating Efficiencies

Combination of MGIC and Radian Creates Greater Operating Efficiencies and Financial Strength

Increased Scale⁽¹⁾

- \$290 billion of insurance-in-force
- \$2.8 billion of revenue
- \$1.1 billion of net income
- \$9.7 billion of total capitalization
- \$8.3 billion of tangible book value

Statutory Expense Ratio



Note: Statutory expense data for YTD of 30-Sep-2006.

1. Includes purchase accounting adjustments. Data at or for the twelve months ended 2006 on a combined basis.

MGIC

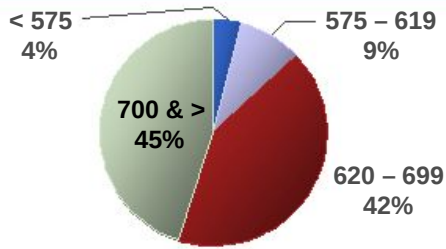
MGIC Radian Financial Group

RADIAN 9

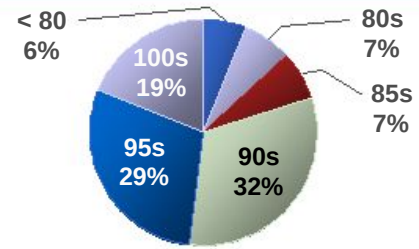
Primary Mortgage Insurance Risk Profile

Maintains Excellent Risk Dispersion

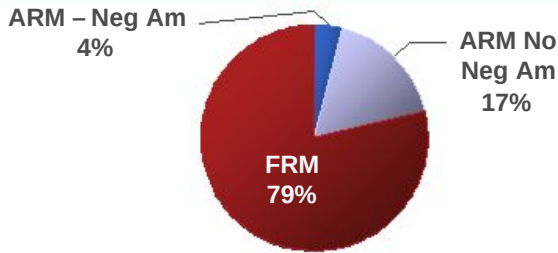
FICO Distribution



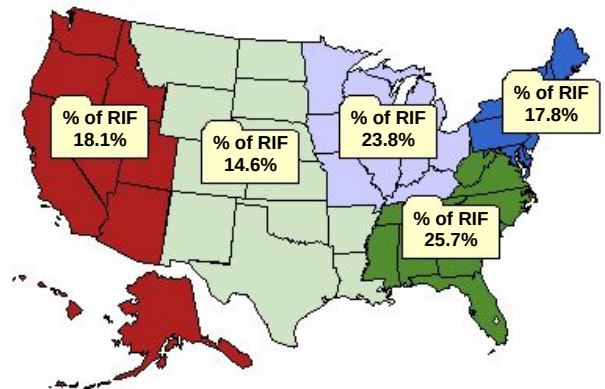
Original LTV



Product Type



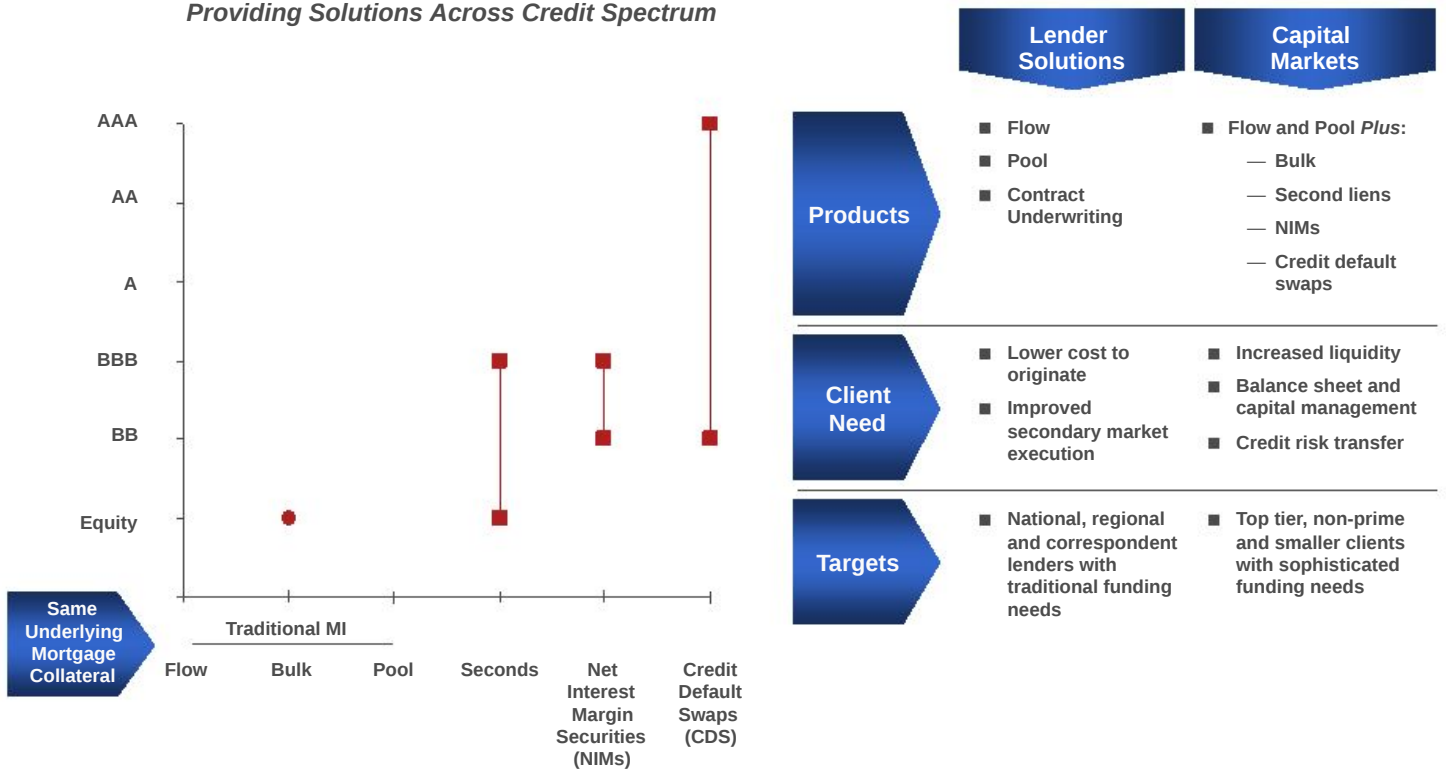
Geographic Dispersion



Note: As of 31-Dec-2006.

Mortgage Risk Origination Capabilities

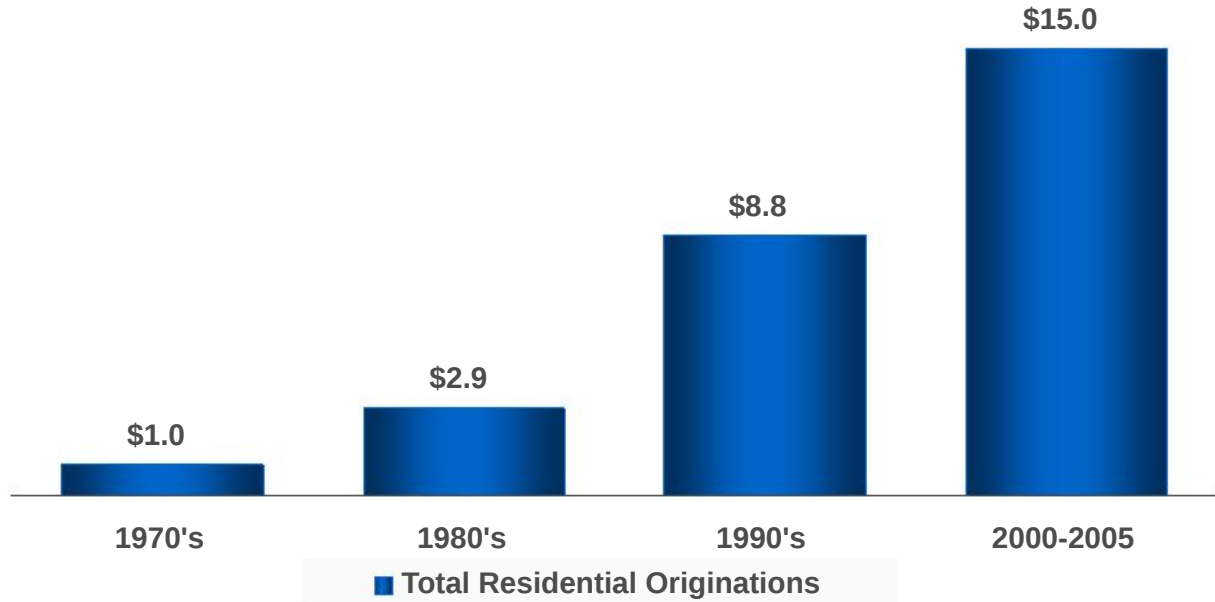
Providing Solutions Across Credit Spectrum



Residential Mortgage Market

Strong Sector Growth Dynamics

Single Family Mortgage Originations (\$tn)



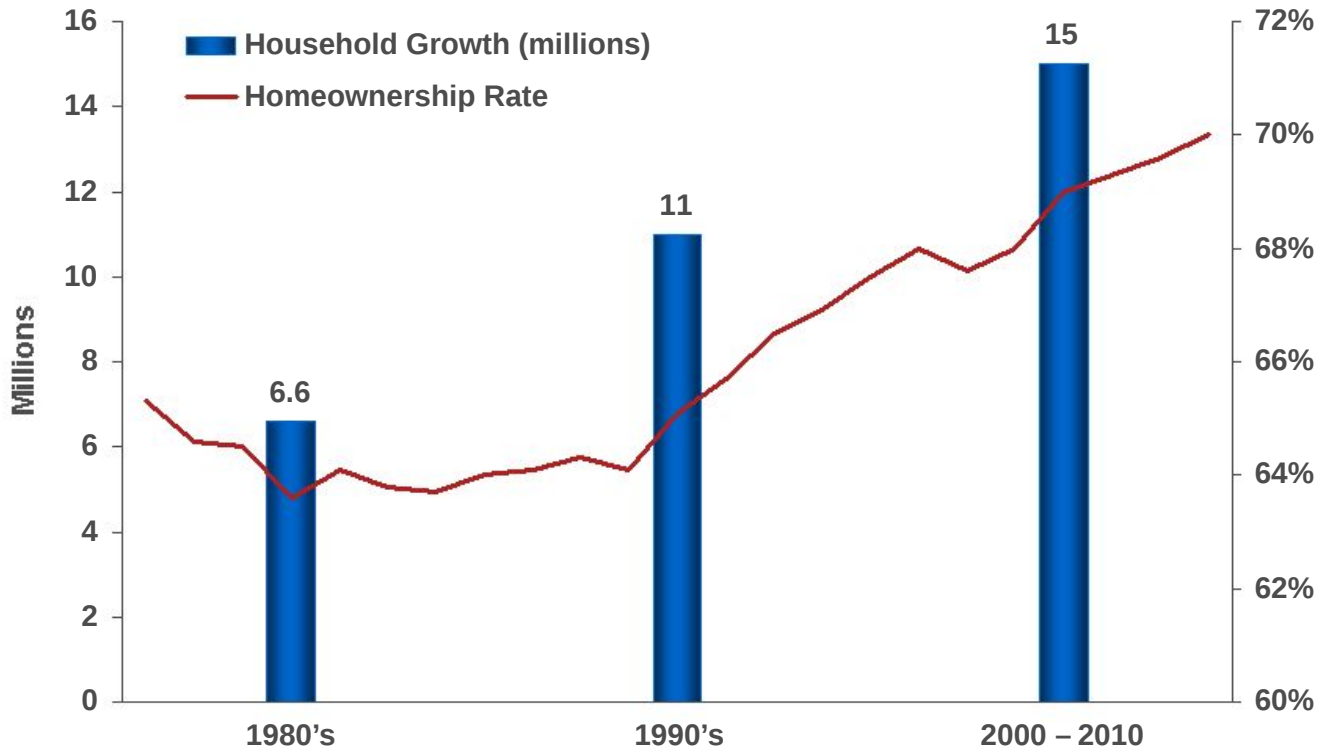
Source: Inside Mortgage Finance, FNMA, MBAA December Outlook.

MGIC

MGIC Radian Financial Group

RADIAN¹²

Mortgage Demand Continues to Grow



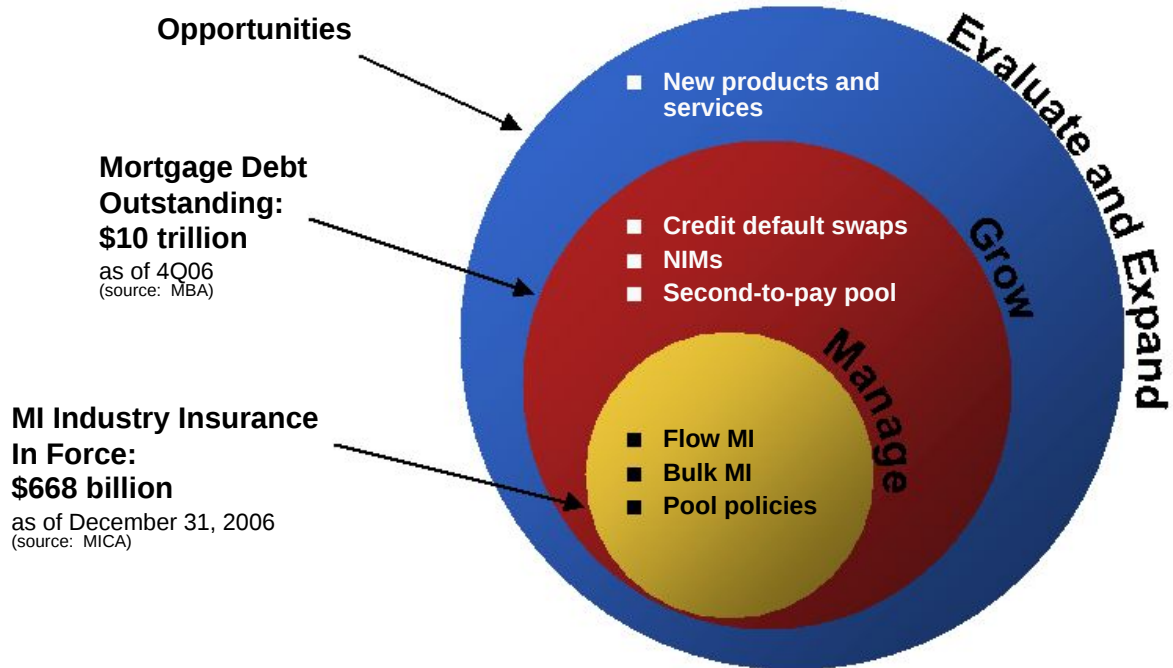
Source: U.S. Department of Commerce, U.S. Census Bureau for 1980 through June 2002 data; Fannie Mae 2005 Statistical Summary data.

MGIC

MGIC Radian Financial Group

RADIAN₁₃

MGIC Radian Has the Size and Scale to Dynamically Target Attractive Opportunities



Financial Guaranty Overview

- Direct writer of credit enhancement for municipal bonds, asset-backed obligations and structured products
- Provider of reinsurance to AAA- rated, monolines, primary FG insurers for municipal bonds and asset-backed obligations
- Insures timely payment of interest and principal
- Primarily insures investment grade obligations
- 97% of public finance portfolio and 95% of structured finance portfolio is investment grade
- December 31, 2006 net par outstanding: \$104 billion

Portfolio Product Lines (As of 31-Dec-06)

Public Finance	
Sector	Sector %
Education	4.1%
General obligations	16.8
Healthcare	10.6
Housing	0.8
Investor-owned utilities	2.6
Long-term care	1.5
Tax-backed	5.1
Transportation	5.4
Utilities	6.2
Other public finance	0.8
Subtotal	53.9%
Structured Finance	
Sector	Sector %
Asset-backed – commercial and other	1.6%
Asset-backed – consumer	2.1
Asset-backed – mortgage / MBS	1.3
CDOs	39.4
Other structured finance	1.7
Subtotal	46.1%

MGIC

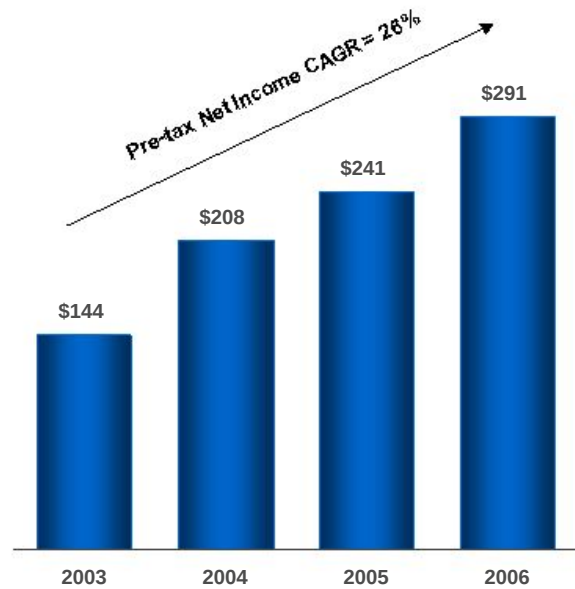
MGIC Radian Financial Group

RADIAN¹⁵

C-BASS Overview

- Purchases, services and securitizes "credit sensitive" residential mortgage assets
 - Invests where servicing makes a difference
- Built servicing portfolio to more than \$56 billion at December 31, 2006
- 80% of revenues are recurring from servicing, money management and portfolio management
- Complements MGIC Radian's capital markets channel in accessing the subprime markets and taking credit risk in a different form
- Strong earnings growth

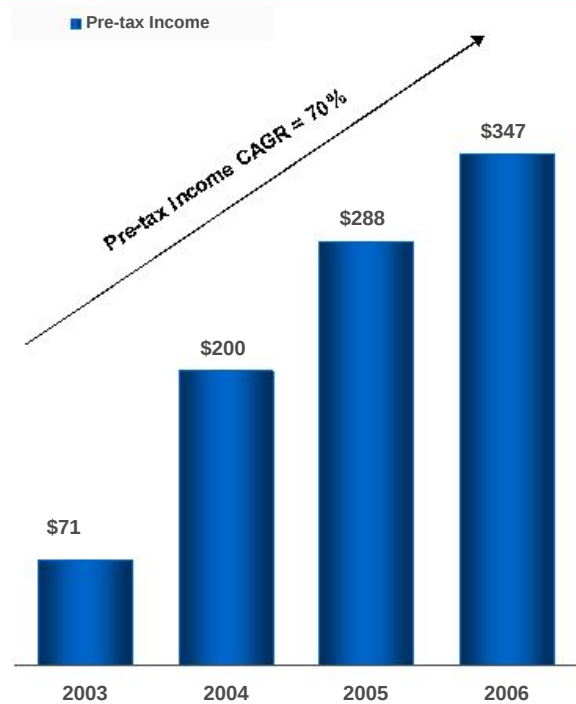
Pre-tax Net Income (\$mm)



Sherman Financial Group Overview

- Originates, purchases and services consumer debt
 - Purchases of distressed debt made at deep discounts to their original face value from national financial institutions and major retail corporations
- CreditOne Bank
 - 1.3 million customers¹
 - Provides diversified and recurring revenue
 - Leverage consumer debt platform
- International opportunities
- Strong earnings growth

Consolidated Pre-tax Net Income (\$mm)



1. As of September 30, 2006.

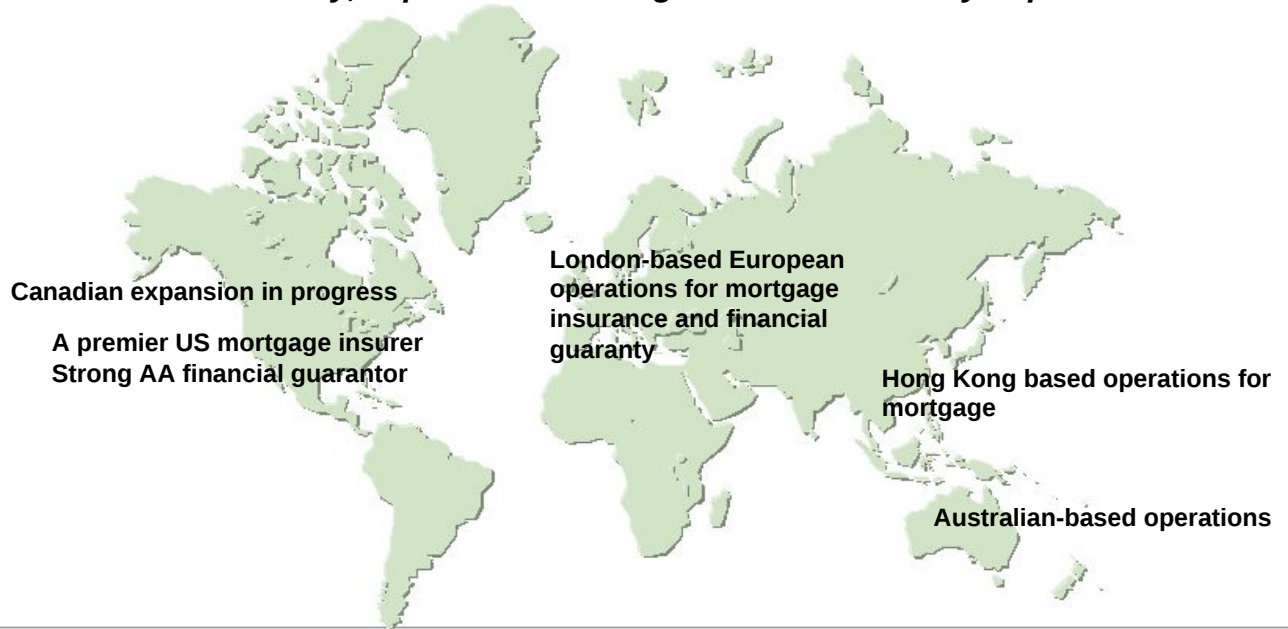
MGIC

MGIC Radian Financial Group

RADIAN 17

Combination of MGIC and Radian Creates a Stronger Platform for Growth

***Combination will accelerate MGIC Radian's ability to expand operations
internationally, experienced management team already in place***



MGIC

MGIC Radian Financial Group

RADIAN 18

Significant Achievable Cost Savings

Cost Savings Opportunities

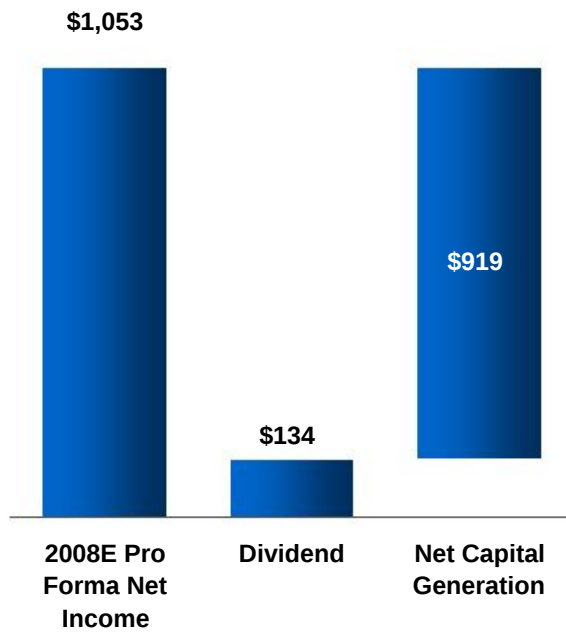
- Consolidation of mortgage insurance operations and technology platform
- Elimination of duplicative corporate staff functions and related overhead
- Greater shared services efficiencies
- Cost savings represent 24% of combined company's cost base
- Anticipated to be realized over 12-18 month period post-close

Estimated Cost Savings

	\$mm	% of Total Savings
Direct MI Expenses	\$ 41	32 %
Direct and Indirect IT	41	32
Other G&A	46	36
	\$ 128	100%

Substantial Capital Generation

(\$ in millions)

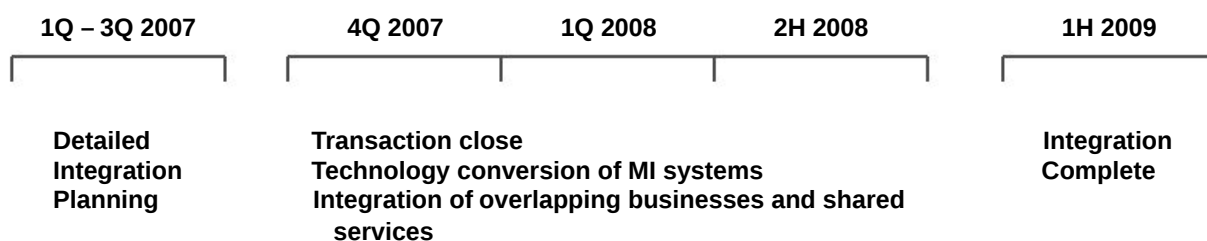


Potential Uses

- Support growth in core businesses
- Financial / strategic flexibility
- Ability to invest in business initiatives
 - International
 - Other
- Return excess capital to shareholders

Integration Plan

- Best of both companies
 - Talent, analytics, systems and processes
- Communication with constituencies
 - Ratings agencies, regulators, employees, investors and customers
- Integration timetable:



Pro Forma Assumptions

Transaction Close:

- 4th Quarter 2007

Consideration / Structure:

- 100% Stock
- Radian to receive 0.9658 shares of MGIC common stock for each Radian share

Synergies:

- Pre-tax cost savings
 - \$128mm phased in 75% / 100% in 2008 / 2009, respectively
- No revenue synergies assumed
- Estimated lost MI business volume of approximately \$12bn of combined NIW by 2008

Share Repurchase:

- Approximately \$1bn share repurchase upon closing
 - Funded by debt / preferred issuance and excess capital
- Additional share repurchase of approximately \$750mm (potentially higher)
 - Funded by proceeds from reduced ownership in C-BASS and Sherman stakes and excess capital

Other Assumptions:

- I/B/E/S median EPS estimates for 2008 (as of 05-Feb-2007), thereafter, EPS grown at long-term growth rate of 10%
- Restructuring charge equal to \$125mm to \$150mm, after-tax
- Identified intangibles of \$250mm, amortized utilizing sum-of-the digits methodology over 7 years

Pro Forma Financial Analysis Earnings Impact

To MGIC Shareholders

GAAP	Current (I/B/E/S)	Pro Forma	% Change
2008	\$7.63	\$7.85	2.8%
2009	8.39	8.92	6.3
Cash			
2008	\$7.63	\$8.14	6.7%
2009	8.39	9.19	9.5

To Radian Shareholders

GAAP	Current	Pro Forma	% Change
2008	\$7.24	\$7.58	4.7%
2009	7.96	8.62	8.2
Cash			
2008	\$7.24	\$7.86	8.6%
2009	7.96	8.88	11.5

Note: Based on exchange ratio of 0.9658x.

MGIC

MGIC Radian Financial Group

RADIAN 23

Compelling Strategic Transaction

Leadership and Scale

Enhanced Operating Platform

Financially Compelling

Synergistic Transaction



Creating Shareholder Value

Appendix

MGIC

MGIC Radian Financial Group

RADIAN²⁵

Pro Forma Income Statement

(\$ in millions)	2008	2009
MGIC Standalone GAAP Net Income (Based on I/B/E/S)	\$ 578	\$ 612
Radian Standalone GAAP Net Income (Based on I/B/E/S)	567	601
Pro Forma Net Income – Before Adjustments	\$1,144	\$ 1,213
After-tax Adjustments		
Cost Savings	\$ 66	\$ 92
Transaction Identified Intangible Amortization	(39)	(33)
Funding Costs	(42)	(42)
Lost Income From Equity Affiliates	(145)	(159)
Radian DAC Amortization	68	51
Other ¹	1	(27)
Total After-tax Adjustments ²	(92)	(120)
Pro Forma Operating GAAP Net Income	\$ 1,053	\$ 1,093
Pro Forma Operating Cash Net Income	\$ 1,092	\$ 1,126

Note: Operating net income represents net income before merger-related expenses. Operating cash net income is equal to operating net income plus after-tax impact of intangible amortization.

1. Includes addback of potential business losses and excess cash yield.

2. Excludes accounting impact of future merger-related expenses realized through income statement.

MGIC

MGIC Radian Financial Group

RADIAN 26

Balance Sheet Summary

As of December 31, 2006
(\$ in millions)

	MGIC	Radian
Cash and Investments	\$5,546	\$6,446
Deferred Policy Acquisition Costs	13	222
Other Assets	1,063	1,261
Total Assets	\$6,622	\$7,929
Unearned Premiums	\$190	\$944
Reserve for Losses	1,126	842
Debt	781	748
Other Liabilities	229	1,327
Total Liabilities	\$2,326	\$3,861
Total Equity	\$4,296	\$4,068
Total Liabilities and Equity	\$6,622	\$7,929

Source: Publicly available financial statements.

MGIC

MGIC Radian Financial Group

RADIAN 27

Pro Forma Financial Analysis Capital Impact

	MGIC	Radian	Pro Forma
GAAP Debt / Capital (2007E)	15.4 %	15.9 %	18 - 20 %
Rating Agency Debt / Capital (2007E)	15.4 %	15.9 %	12 - 15 %
MI Risk-in-Force / Statutory Capital (2006A)	7.4 x	10.4 x	8.3x

I am excited to announce that today, Radian and MGIC have agreed to merge and form a premier diversified financial services company with a unique blend of leading mortgage insurance, financial guaranty and credit enhancement businesses. Attached is a copy of the joint press release that we issued this morning.

The strategic combination of Radian and MGIC is occurring at the right time for both companies. It parallels the consolidation that has taken place within the mortgage industry, the primary market we serve. In order to stay competitive, we are aligning ourselves with this dynamic and changing landscape.

I have great respect for Curt Culver, chairman and chief executive officer of MGIC, and his team. For the first two years, Curt will be chairman and chief executive officer of the new company, and I will be president and chief operating officer, directing the day-to-day activities of the organization. In 2009, Curt will become non-executive chairman of the board of directors, and I will lead the new company as chief executive officer. There will be a balanced mix of senior executives from both companies reporting to Curt and me.

We're very proud of what Radian brings to this potential new company: an industry-leading track record of innovation, a disciplined risk management culture, talented and dedicated people, and a history of consistent and strong performance. While there are many details to work through in the coming days and weeks, we will do everything we can to ensure the smoothest possible transition for you and for our customers.

As with any merger, there will be some staffing duplications. We will do our best to provide affected employees with access to other jobs in the new company.

I know this news is likely to cause some uncertainty and concern. We are developing retention programs based upon business needs and will communicate the details of those programs in the coming weeks. But I can tell you now that if your position is eliminated in 2007 as part of the integration, you will receive the greater of either your severance, or your salary for the remainder of the year, including your annual bonus.

A merger of this type requires approval by the stockholders of both companies, as well as regulatory approvals. We anticipate that the merger will close in the fourth quarter of 2007, but no assurances can be given in this regard. At that time, the new company will be named MGIC Radian Financial Group and will be headquartered in Milwaukee, Wisconsin.

Until then, it is extremely important that we remain focused on continuing to preserve and enhance Radian's businesses by serving our customers, achieving our goals for 2007, and executing on our business plans. So it's "business as usual" for all of us during the next several months while we plan the integration and maintain our competitive spirit.

You will hear from your manager today about this merger and I invite you to attend one of the Town Hall meetings in I'll be holding in Philadelphia and New York tomorrow, February 7, to field your questions. You will also have the opportunity to join these meetings by phone, and replays will be available until 5 p.m. Eastern time.

Town Hall Meeting Schedule for **Wednesday, February 7:**

Philadelphia

9:00 a.m. Eastern

The Four Seasons Ballroom at One Logan Square (www.fourseasons.com/philadelphia)

New York

1:30 p.m. Eastern

The Roosevelt Hotel's Terrace Ballroom – Madison at 45th (www.theroosevelthotel.com)

Dial-in Number

U.S.: (866) 233-3843

International: (612) 332-1214

In order to gain access to the Town Hall meetings, you must identify yourself as a Radian employee. For those attending in person, be sure to bring your Radian badge for identification. By phone, ask to be connected to the Radian Town Hall conference call.

Additionally, an email box called "Integration" will be created in Microsoft Outlook for your questions. We will monitor the mailbox and respond as quickly as possible.

Finally, I would like to remind you that our media policy remains in effect: all calls from the media and press must go through Mona Zeehandelaar's Corporate Communications group at 215-231-1325.

The leadership team and I are committed to weekly communications to keep you informed of ongoing developments throughout this transition period. I look forward to working with you and to your continued contributions.

Thank you.

ADDITIONAL INFORMATION ABOUT THE MGIC/Radian TRANSACTION

MGIC and Radian will be filing a joint proxy statement/prospectus and other relevant documents concerning the MGIC/Radian merger transaction with the United States Securities and Exchange Commission (the "SEC"). SHAREHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE MERGER TRANSACTION OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders will be able to obtain free copies of the joint proxy statement/prospectus, as well as other filings containing information about MGIC and Radian, without charge, at the SEC's Internet site (<http://www.sec.gov>). In addition, documents filed with the SEC by MGIC will be available free of charge by contacting Investor Relations at Mortgage Guaranty Investment Corporation, 250 East Kilbourn Avenue, Milwaukee, WI 53202. Documents filed with the SEC by Radian will be available free of charge by calling Investor Relations at (215) 231-1486.

Radian and MGIC and their respective directors and executive officers and certain other members of management and employees are expected to be participants in the solicitation of proxies from Radian shareholders and MGIC shareholders in respect of the proposed merger transaction. Information regarding the directors and executive

officers of Radian is available in the proxy statement for its May 9, 2006 annual meeting of shareholders, which was filed with the SEC on April 18, 2006. Information regarding the directors and executive officers of MGIC is available in the proxy statement for its May 11, 2006 annual meeting of shareholders, which was filed with the SEC on March 30, 2006. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus relating to the merger transaction and the other relevant documents filed with the SEC when they become available.

Statements made in this email that are not of historical fact (including statements that include terms such as “will,” “may,” “should,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” and “plan”) are forward-looking statements that involve risks and uncertainties. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Radian and MGIC, including future financial and operating results, the new company’s plans, objectives, expectations and intentions and other statements that are not historical facts.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the failure of Radian’s shareholders or MGIC’s shareholders to approve the transaction; the risk that the businesses will not be integrated successfully; customer attrition and disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; competition and its effect on pricing, spending, third-party relationships and revenues; movements in market interest rates and secondary market volatility; potential sales of assets in connection with the merger; and unfavorable changes in economic and business conditions. Additional factors that may affect future results are contained in Radian’s and MGIC’s filings with the SEC, which are available at the SEC’s website <http://www.sec.gov>. Radian and MGIC disclaim any obligation to update and revise statements contained in these materials based on new information or otherwise.

Frequently Asked Questions**Q. Why are MGIC and Radian planning to merge?**

A. A merger between MGIC and Radian creates a premier mortgage insurance provider and a diversified financial services company, with a combined asset size of approximately \$15 billion, nearly \$290 billion of primary mortgage insurance in force and a financial guaranty portfolio approximating \$104 billion of net par outstanding. The combined company will have a broad and balanced mix of businesses including domestic mortgage insurance, financial guaranty, financial services and international credit enhancement. It promises greater choices for customers, expanded opportunities for co-workers, and we believe it will position us to significantly increase shareholder value for the combined companies. Our new company will be able to create broader, deeper choices for customers, leverage the strengths of both companies and better diversify our risk portfolio. As a combined company, we will be better together and able to create a stronger future for our co-workers, customers and shareholders.

Q. What will the new company look like?

A. With total assets of over \$15 billion and a market capitalization of approximately \$10 billion, the company will be the largest private mortgage insurance company in the U.S. The combined company will be known as MGIC Radian Financial Group Inc. and will be headquartered in Milwaukee, Wisconsin with business operations in New York, Philadelphia and internationally.

Q. When is the merger expected to be completed?

A. The transaction is expected to close in the fourth quarter of 2007 and is subject to shareholder and regulatory approvals. We expect the merger integration process to be completed by the end of 2008.

Q. Who will lead the new company?

A. Curt S. Culver, current chairman and chief executive officer of MGIC, will serve as chairman and chief executive officer of the combined company. S.A. Ibrahim, current chief executive officer of Radian, will serve as the president and chief operating officer of the combined company. Mr. Ibrahim will succeed Mr. Culver as chief executive officer of MGIC Radian Financial Group Inc. in 2009 and as chairman in 2010.

MGIC and Radian have designated key members of the new company's senior management team. Leading the combined company will be: J. Michael Lauer, chief financial officer; Patrick Sinks, head of domestic mortgage insurance; Stephen Cooke, head of financial guaranty; Mark Casale, head of capital markets; Jeffrey Lane, general counsel; Lawrence Pierzchalski, head of risk management; Lawrence DelGatto, chief information officer; Robert Croner, head of human resources; Teresa Bryce, head of strategic planning and corporate secretary and Martin Wood, head of international mortgage insurance.

Q. What happens next?

A. Communication with co-workers, customers, rating agencies and Wall Street investors will be paramount to the successful beginning of the new company. Curt and S.A. will travel to key investors to communicate details of the merger. Very shortly thereafter integration teams from both companies will be formed and the processes begun to bring the two companies together.

Q. What are the financial terms of the merger?

A. Under the merger, 0.9658 shares of MGIC common stock will be exchanged for each 1.0 share of Radian common stock. The merger is intended to qualify as a “tax free reorganization” for U.S. shareholders. Based upon MGIC’s February 5, 2007 closing price, the pro forma combined market capitalization of the new company would be approximately \$10 billion. The transaction anticipates earnings per share accretion and value enhancement for all shareholders.

As part of the transaction, it is currently expected that the new company will initially pay a dividend of \$0.25 per share per quarter, which is the current MGIC quarterly dividend rate and represents an increase of \$0.23 per share for Radian shareholders. All dividends are subject to applicable law and the discretion of the applicable company’s board of directors.

Q. How will the board of directors for the new company be structured?

A. The board of directors will initially be comprised of six members designated by MGIC and five members designated by Radian, but promptly following the consummation of the merger, the MGIC Radian Financial Group Inc. will nominate for director an additional Radian director to stand for election by the combined company’s shareholders.

Q. Why is there no premium?

A. This transaction is a strategic merger of equals and, as such, shareholders in both companies will share in the significant benefits of the combination.

Q. Why do this deal now?

A. The strategic combination of Radian and MGIC is occurring at the right time for both companies. It parallels the consolidation that has taken place within the mortgage industry, the primary market we serve. In order to stay competitive, we are aligning ourselves with this dynamic and changing landscape.

Q. What are the benefits for shareholders?

A. This move brings together two strong, well-run companies, building strength on strength. This merger is a strategic combination creating a preeminent mortgage and credit risk insurer with a greater ability to serve customers with a broader range of products and services. The structure of this merger provides the best long-term approach for creating a stronger company, faster. In addition, Radian shareholders will receive a higher dividend as a result of the transaction and both companies’ shareholders are expected to benefit from the value created from the transaction.

Q. What will the merger mean for our customers?

A. Customers always have been the first priority for both companies, and that fact will not change. Our customers will benefit through a greater array of products and services which will help them grow their business resulting in bottom-line profitability. They will have enhanced products and services and feel confident they are doing business with the best talent, analytics and systems of both companies in the U.S. As a combined company, we have the commitment, talent, technology and business models to achieve a successful integration. We will keep our focus on customers throughout this process, and our first priority will be maintaining high service levels and providing value for those customers.

Q. What will the merger mean for co-workers?

A. A larger company has the advantage of offering more career opportunities. As in any transaction of this kind, there is the unfortunate reality that some co-workers from both companies will lose their jobs. All of our decisions will be made carefully with consideration and respect for the people who have helped build these two companies. We anticipate at this time that some operations will stay in Philadelphia and the Financial Guaranty business will remain in New York. We do anticipate some Radian co-workers

relocating to Milwaukee from other Radian offices. They will, of course, be offered appropriate relocation packages.

Q. What will it mean to co-workers displaced because of this merger?

A. The new company will work diligently to place co-workers in open positions or in positions newly created by the merger. Co-workers who lose their jobs as a result of the merger will receive severance and transition assistance to help them find new positions.

Q. When will co-workers know which jobs will be affected?

A. Until we understand how the new organization will be structured across all lines of business, we cannot be sure. Our co-workers' future is of primary importance to us and we will strive to make these decisions as quickly as possible. We do know that in an integration process like this, job changes will take place over time and that the entire integration process may take up to 18 months.

Q. Will there be changes to compensation and benefits as a result of the merger?

A. There will not be any immediate changes. However, our integration team will review compensation and benefits, and keep co-workers updated as decisions regarding compensation and benefits are made. We remain committed to providing competitive benefits to our entire workforce.

Q. How will co-workers be kept informed?

A. We will communicate on a regular basis through emails and our intranet to keep co-workers abreast of any changes that result from this merger.

Q. Who should the media be referred to?

A. It is MGIC's policy that all media inquiries be handled by our corporate relations department. All calls from the media should be directed to either Katie Monfre at 414-347-2650 or Mike Zimmerman at 414-347-6596. Media calls specifically regarding Radian can be directed to Michelle Davidson at 215-231-1325.

Q. Who should customer calls be referred to?

A. Customers with questions should be referred to their account manager.

Forward Looking Statements

Discussions made in this document that are not statements of historical fact (including statements that include terms such as "will," "may," "should," "believe," "expect," "anticipate," "estimate," "intend," and "plan") are forward-looking statements that involve risks and uncertainties. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Radian and MGIC, including future financial and operating results, the new company's plans, objectives, expectations and intentions and other statements that are not historical facts.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the failure of Radian or MGIC to approve the transaction; the risk that the businesses will not be integrated successfully; customer attrition and disruption from the

transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; competition and its effect on pricing, spending, third-party relationships and revenues; movements in market interest rates and secondary market volatility; potential sales of assets in connection with the merger; legislative and regulatory changes affecting demand for private mortgage insurance or financial guaranty insurance; downgrades of the insurance financial-strength ratings assigned by the major ratings agencies to Radian's and MGIC's operating subsidiaries and unfavorable changes in economic and business conditions. Additional factors that may affect future results are contained in Radian's and MGIC's filings with the SEC, which are available at the SEC's website <http://www.sec.gov>. Radian and MGIC disclaim any obligation to update and revise statements contained in these materials based on new information or otherwise.

Additional Information

The proposed merger will be submitted to shareholders of MGIC Investment Corporation and Radian Group Inc. for their consideration. **Shareholders are urged to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information.** Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about MGIC and Radian, without charge, at the Securities Exchange Commission's Internet site (www.sec.gov). You will also be able to obtain these documents, free of charge, by accessing MGIC's website (<http://www.mgic.com>) or Radian's website (<http://www.radian.biz>). Copies of the joint proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Michael Zimmerman, Vice President Investor Relations, 250 E. Kilbourn, Milwaukee, WI 53092 or Mona Zeehandelaar, Senior Vice President, Investor Relations and Corporate Communications, 1601 Market Street, Philadelphia, PA 19103

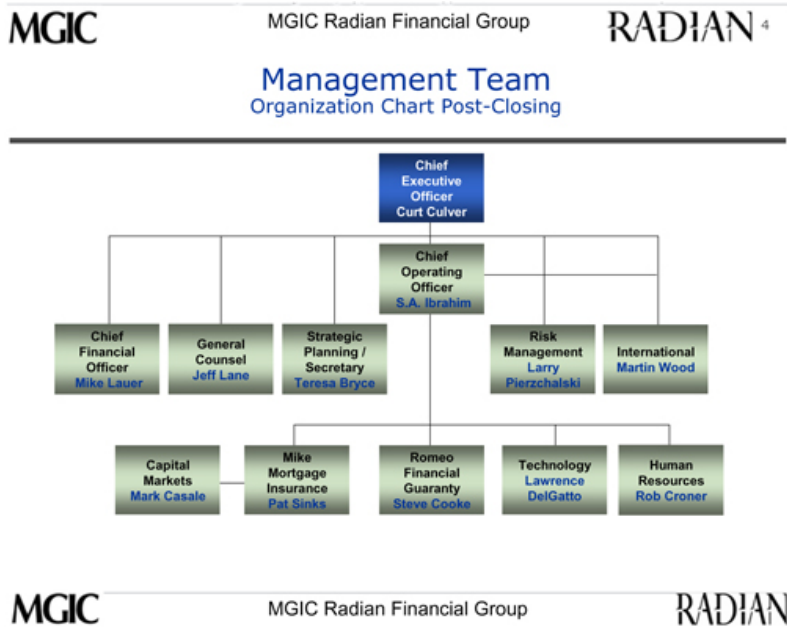
MGIC Investment Corporation and Radian Group Inc., their respective directors and executive officers and other persons may be deemed to be participants in the solicitations of proxies from the shareholders of MGIC Investment Corporation and/or Radian Group Inc. in respect of the proposed merger. Information regarding MGIC Investment Corporation's directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by MGIC on March 30, 2006, and information regarding Radian Group Inc's directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by Radian on April 18, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available.

Merger Overview

- Creates a preeminent mortgage insurer and credit risk insurer
- Complimentary mix of revenues/earnings
- Stronger platform for growth
- Long term shareholder value creation with increased financial strength and flexibility

Overview of Transaction Terms

Structure	0.9658 MGIC shares per Radian share (based on February 2, 2007 market close)
Consideration	100% Stock
Name	MGIC Radian Financial Group – Mortgage Insurance business: MGIC – Financial Guaranty business: Radian Guaranty
Locations	Headquarters: Milwaukee, WI – Mortgage Insurance: Milwaukee, WI; Philadelphia, PA; International – Financial Guaranty: New York, NY; International
Leadership	CC, Chairman and CEO until two years post closing SAI, President and COO; assumes CEO title two years post closing Senior management positions identified
Board Composition	6 MGIC directors (including Chairman); 5 independents 5 Radian directors (including Lead Director); 4 independents (to be increased to 6 directors, 5 independents upon election by shareholders following consummation of the merger)
Dividend	\$1.00 per share (current MGIC dividend)
Approvals	Normal shareholder and regulatory approvals
Due Diligence	Completed
Timing	Expected closing fourth quarter of 2007 Subject to regulatory approvals and approval of shareholders of both companies

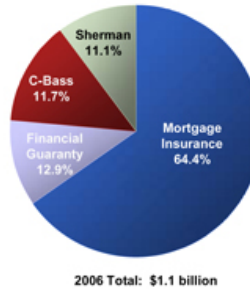


Pro Forma Franchise and Earnings

Combined Businesses

- Mortgage insurance franchise
 - \$290bn of insurance in force
 - \$98bn of 2006 NIW
- Financial guaranty business
 - Strong AA franchise
 - \$104bn of net par outstanding
- Financial services businesses
 - C-Bass: A market leader in purchasing, servicing and investing in "credit sensitive" residential mortgage assets
 - \$291 mm in 2006 pre-tax net income
 - Sherman: The nation's largest buyer and servicer of unsecured distressed consumer debt
 - \$347 mm in 2006 pre-tax net income

Pro Forma Net Income Mix⁽¹⁾



1. Assumes restructuring of C-Bass and Sherman stakes to reduced ownership of 49.9% (pro forma reflects sale of stake, review of other potential alternatives).

MGIC

MGIC Radian Financial Group

RADIAN ⁶

Compelling Strategic Transaction



MGIC

MGIC Radian Financial Group

RADIAN ²

Forward Looking Statements

Discussions made in this press release that are not statements of historical fact (including statements that include terms such as “will,” “may,” “should,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” and “plan”) are forward-looking statements that involve risks and uncertainties. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Radian and MGIC, including future financial and operating results, the new company’s plans, objectives, expectations and intentions and other statements that are not historical facts.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the failure of Radian or MGIC to approve the transaction; the risk that the businesses will not be integrated successfully; customer attrition and disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; competition and its effect on pricing, spending, third-party relationships and revenues; movements in market interest rates and secondary market volatility; potential sales of assets in connection with the merger; legislative and regulatory changes affecting demand for private mortgage insurance or financial guaranty insurance; downgrades of the insurance financial-strength ratings assigned by the major ratings agencies to Radian’s and MGIC’s operating subsidiaries and unfavorable changes in economic and business conditions. Additional factors that may affect future results are contained in Radian’s and MGIC’s filings with the SEC, which are available at the SEC’s website <http://www.sec.gov>. Radian and MGIC disclaim any obligation to update and revise statements contained in these materials based on new information or otherwise.

Additional Information

The proposed merger will be submitted to shareholders of MGIC Investment Corporation and Radian Group Inc. for their consideration. **Shareholders are urged to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information.** Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about MGIC and Radian, without charge, at the Securities Exchange Commission’s Internet site (www.sec.gov). You will also be able to obtain these documents, free of charge, by accessing MGIC’s website (<http://www.mgic.com>) or Radian’s website (<http://www.radian.biz>). Copies of the joint proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Michael Zimmerman, Vice President Investor Relations, 250 E. Kilbourn, Milwaukee, WI 53092 or Mona Zeehandelaar, Senior Vice President, Investor Relations and Corporate Communications, 1601 Market Street, Philadelphia, PA 19103

MGIC Investment Corporation and Radian Group Inc., their respective directors and executive officers and other persons may be deemed to be participants in the solicitations of proxies from the shareholders of MGIC Investment Corporation and/or Radian Group Inc. in respect of the proposed merger. Information regarding MGIC Investment Corporation’s directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by MGIC on March 30, 2006, and information regarding Radian Group Inc’s directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by Radian on April 18, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available.