



# MGIC INVESTMENT CORPORATION

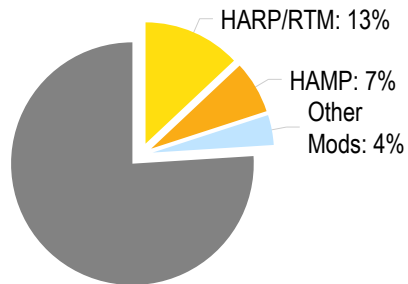
**Portfolio Supplement**  
Q4 2015

**NYSE: MTG**

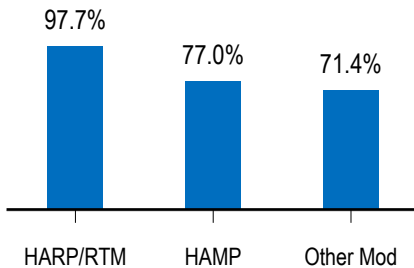
*The information in this document does not include our Australian operations, which are immaterial.*

# Summary of Loan Modification and HARP Activity

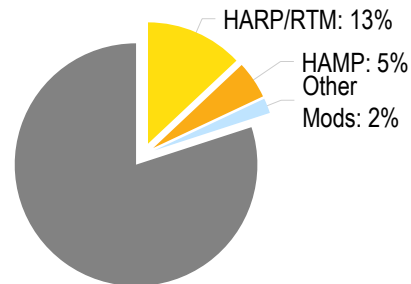
**Risk in Force  
Total Primary Book**



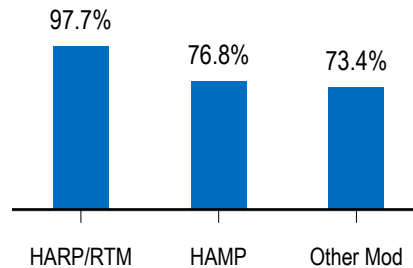
**% Current at 12/31/2015  
(# of loans)**



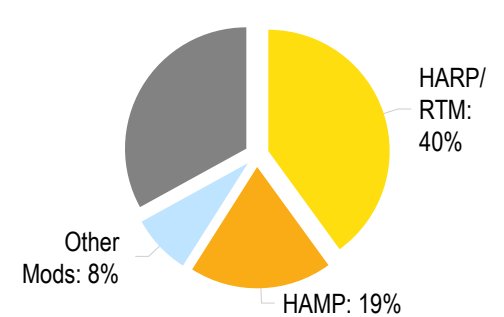
**Risk in Force  
Flow Primary Book**



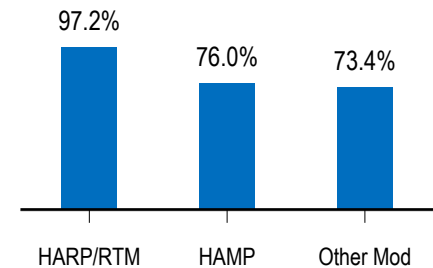
**% Current at 12/31/2015  
(# of loans)**



**Risk in Force  
2007 Flow Primary Book**

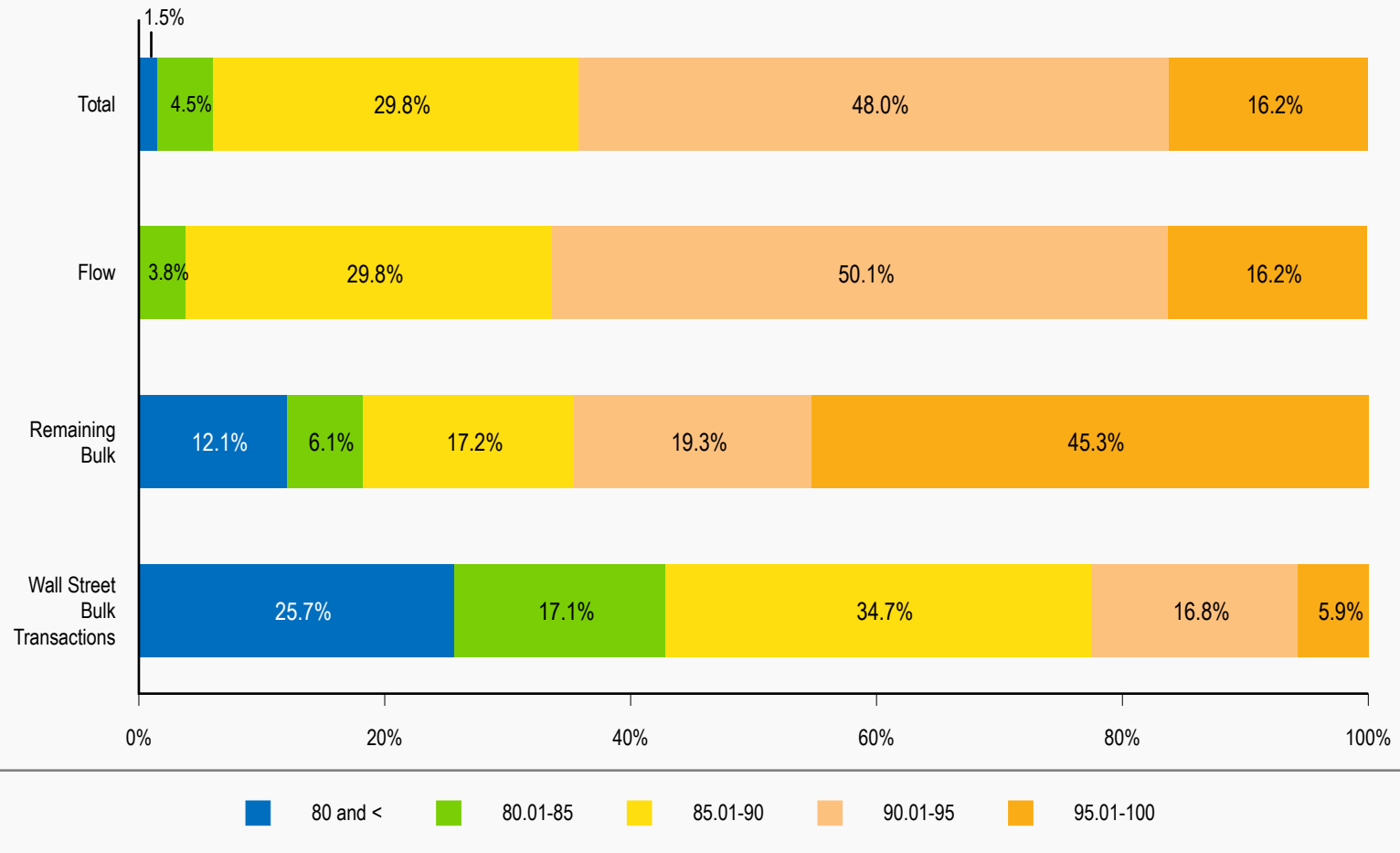


**% Current at 12/31/2015  
(# of loans)**



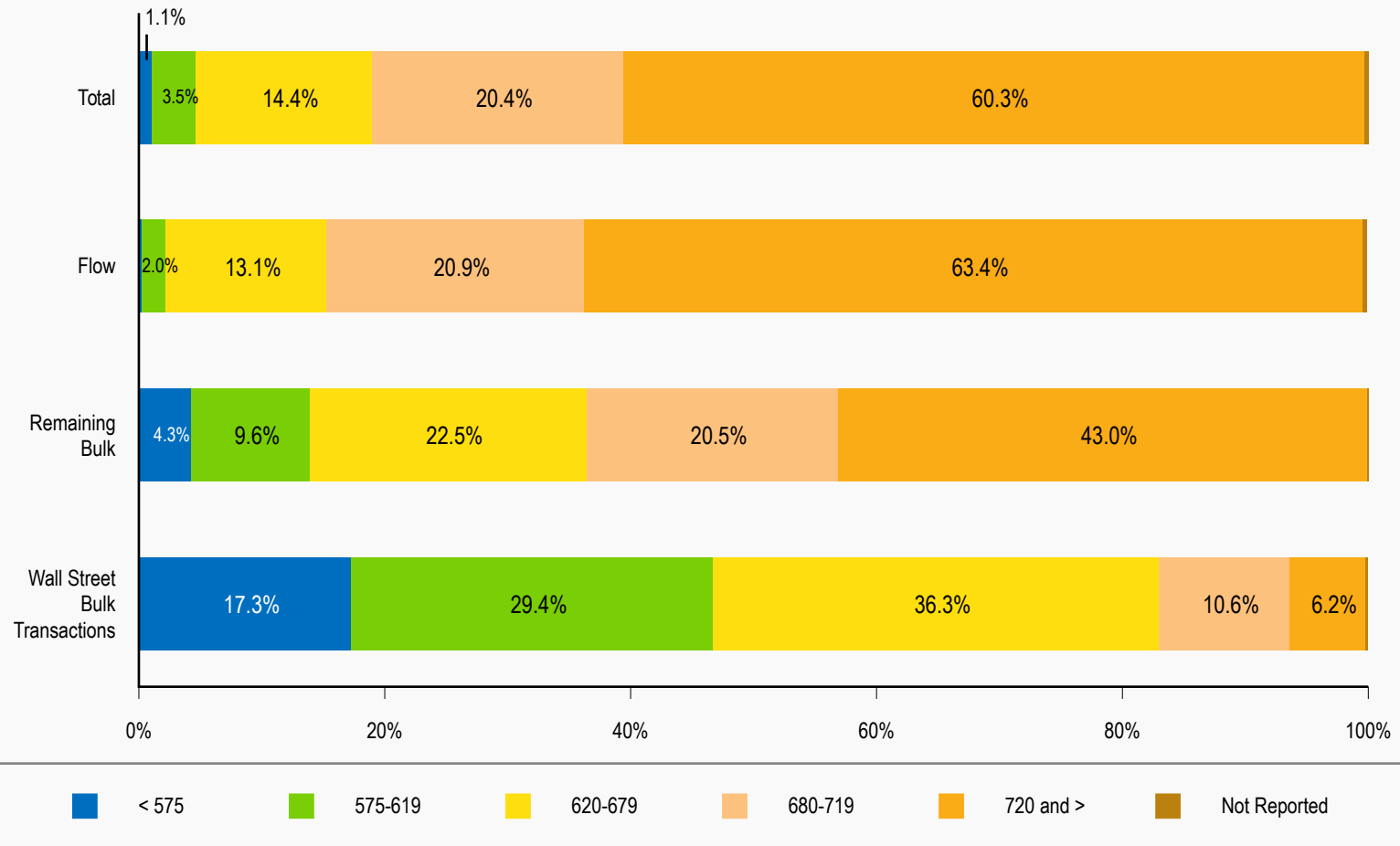
# Primary Risk in Force December 31, 2015

## Original LTV



# Primary Risk in Force December 31, 2015

## Original FICO

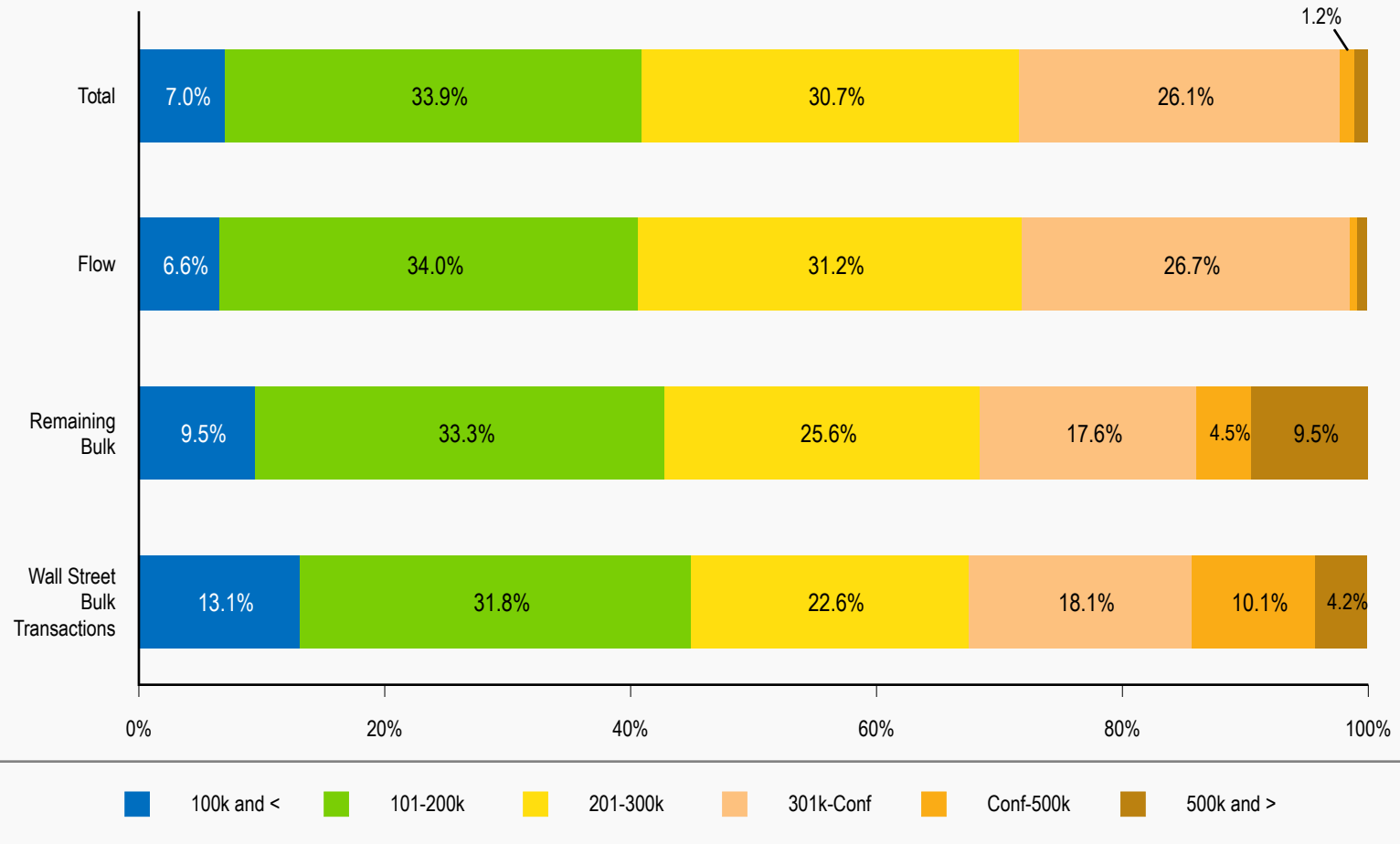


Note: Charts may not add to 100% due to rounding.

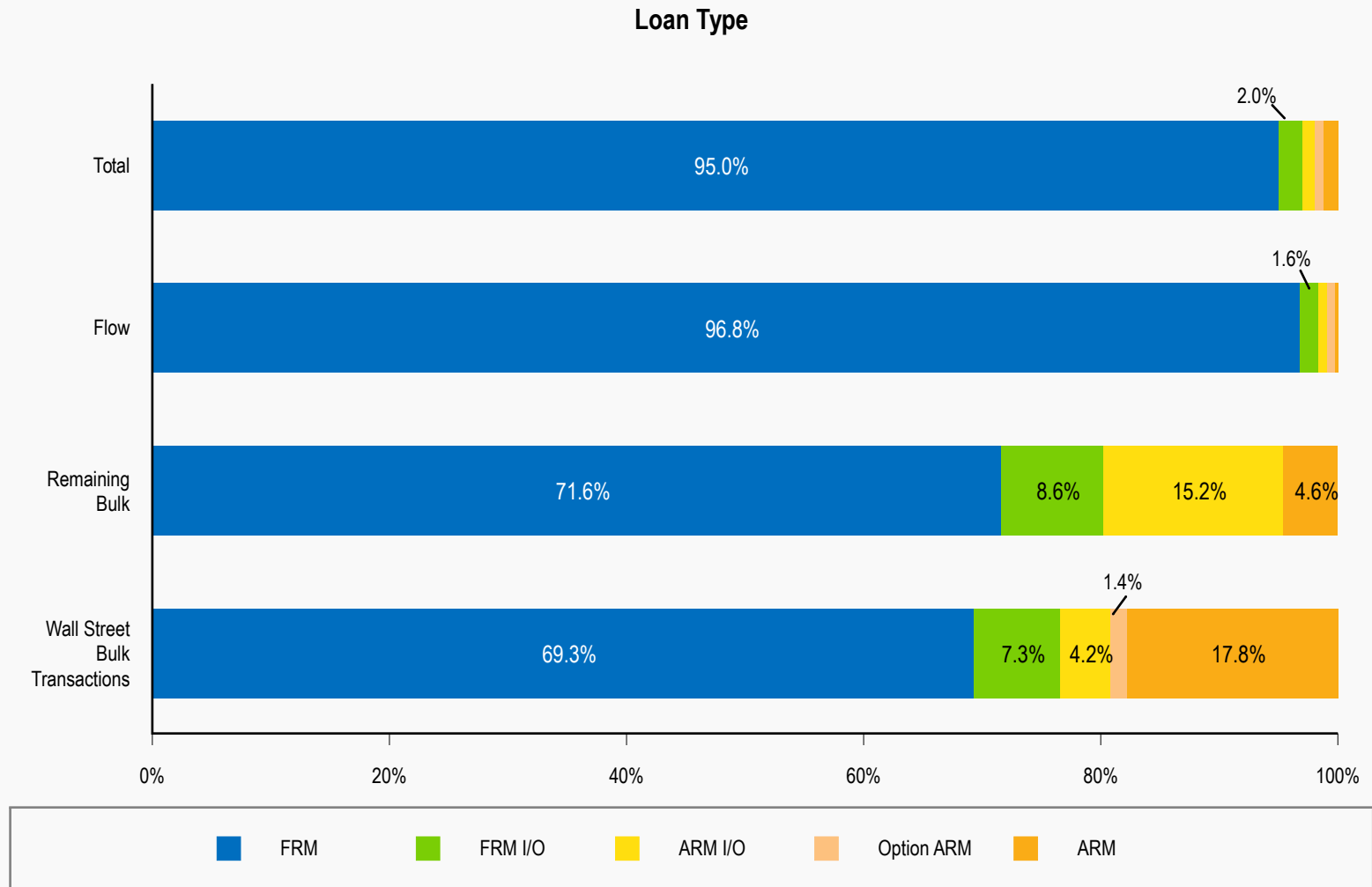


# Primary Risk in Force December 31, 2015

## Loan Amount

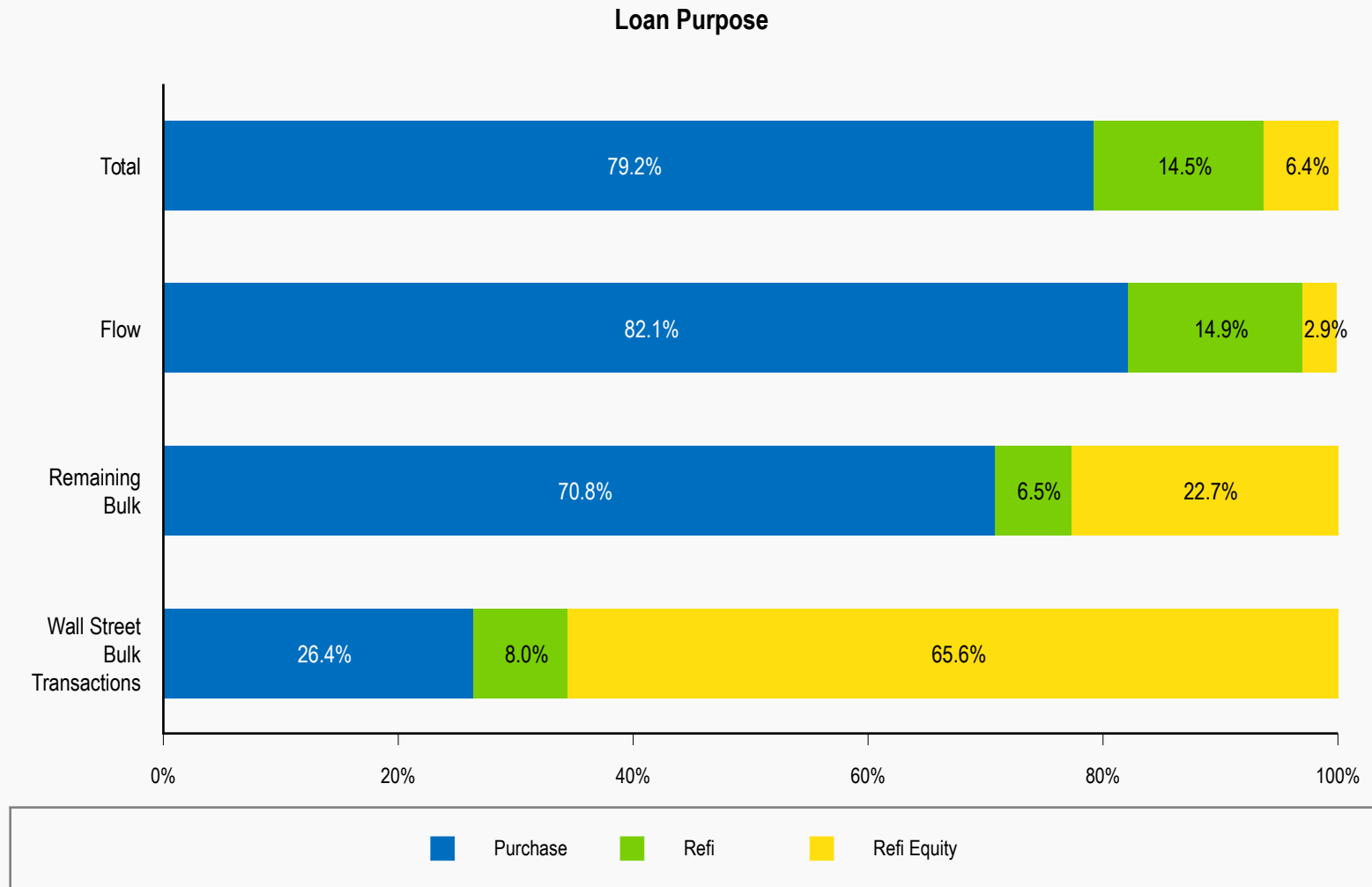


# Primary Risk in Force December 31, 2015



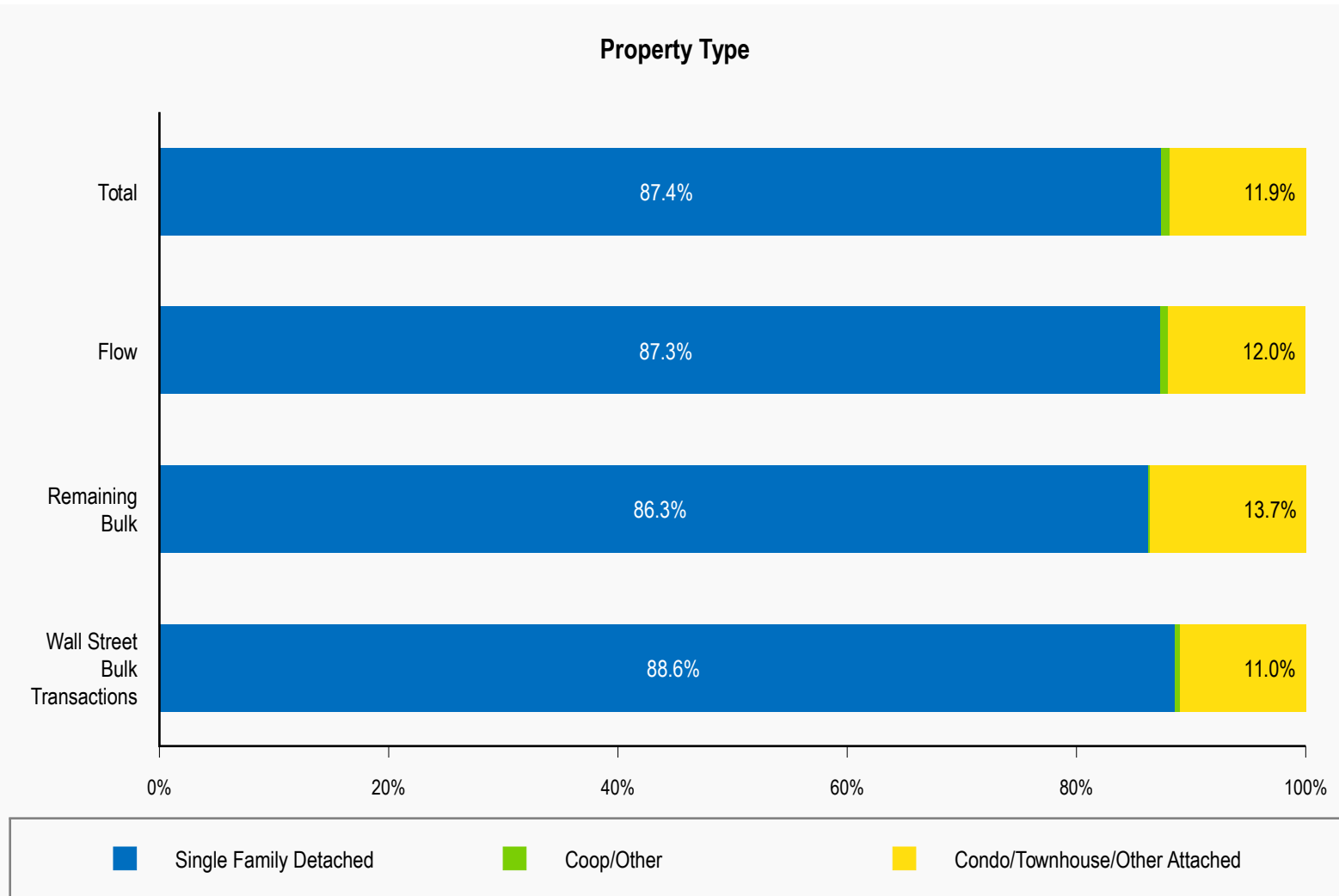
Note: Charts may not add to 100% due to rounding; FRM includes ARMs with initial reset periods of greater than 5 years, ARM I/O includes all ARMs regardless of reset period  
Approximately 97% of Remaining Bulk Interest Only ARMs have initial interest only periods of 5 years or more

## Primary Risk in Force December 31, 2015



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

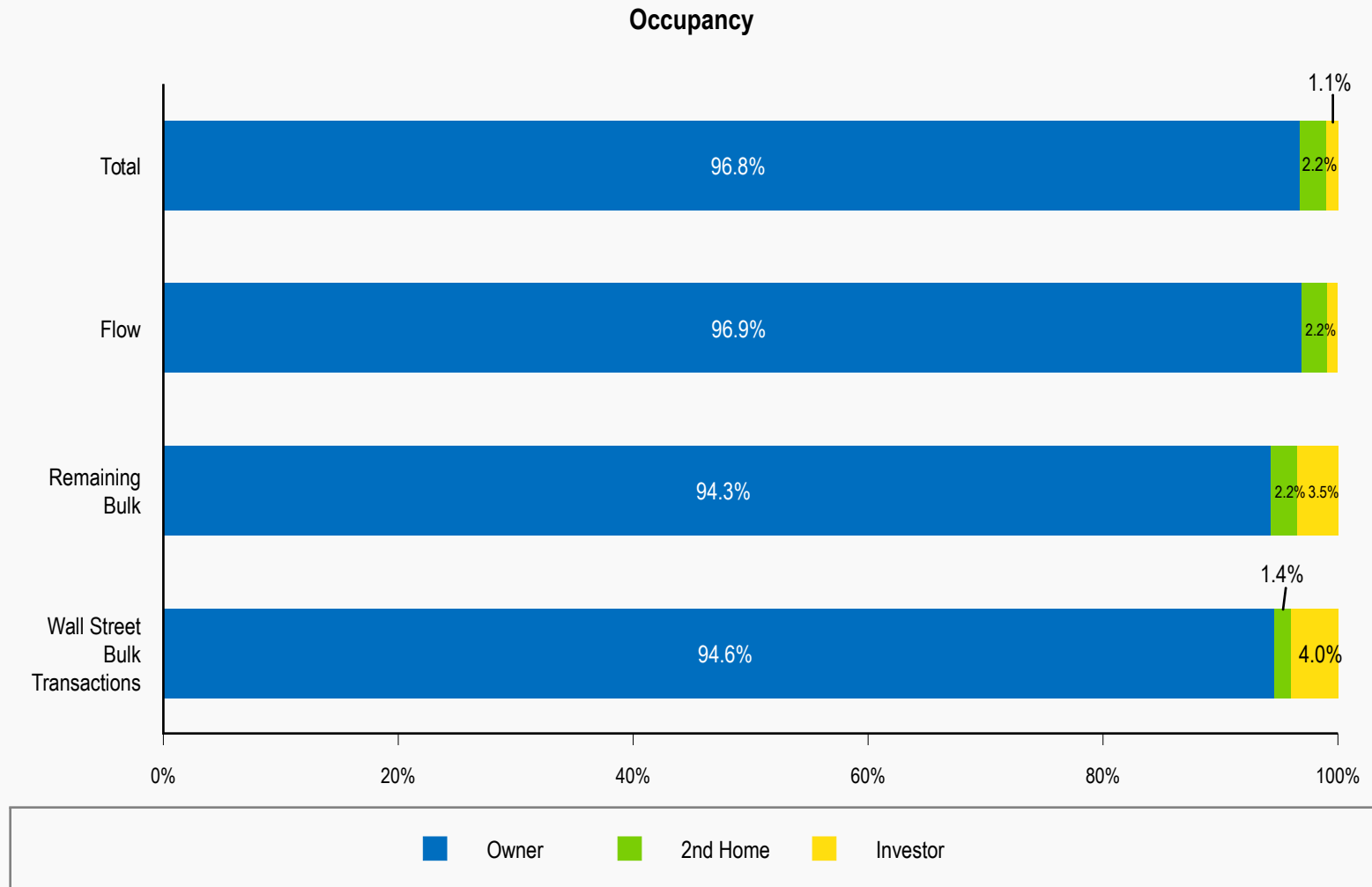
## Primary Risk in Force December 31, 2015



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



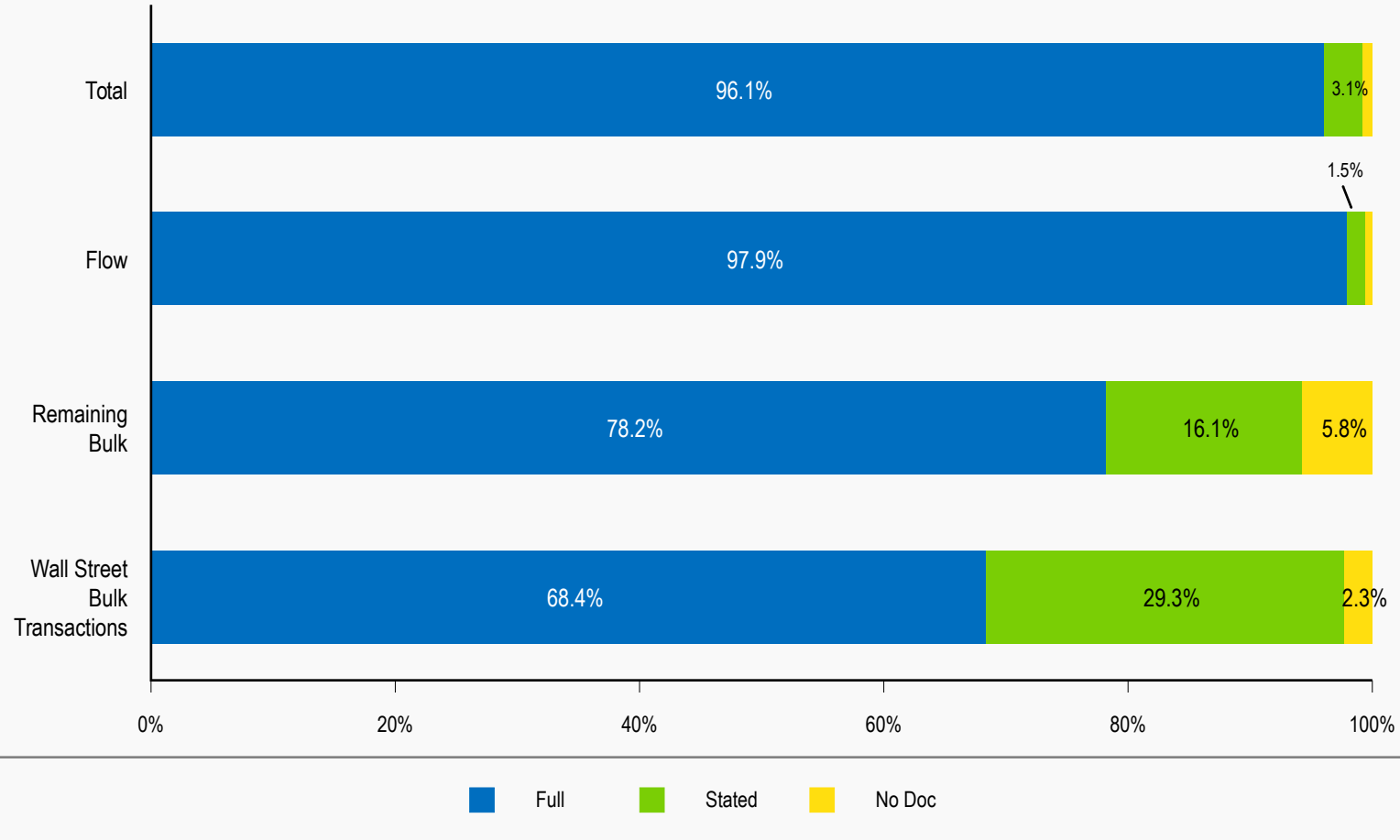
## Primary Risk in Force December 31, 2015



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

# Primary Risk in Force December 31, 2015

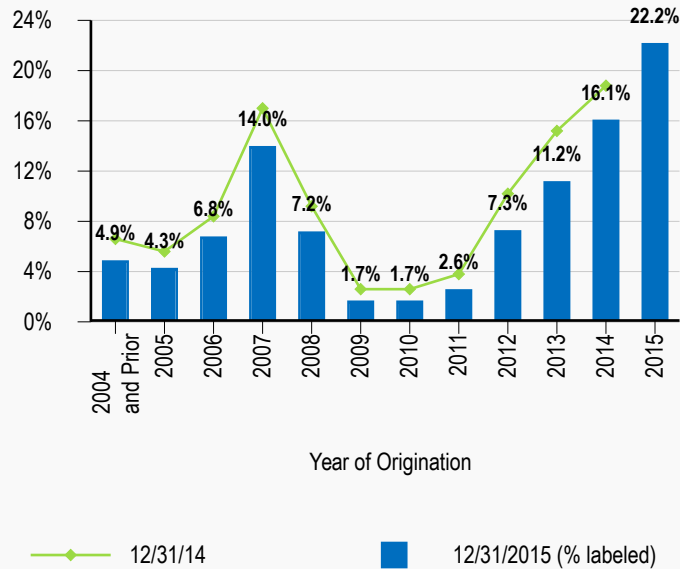
## Documentation



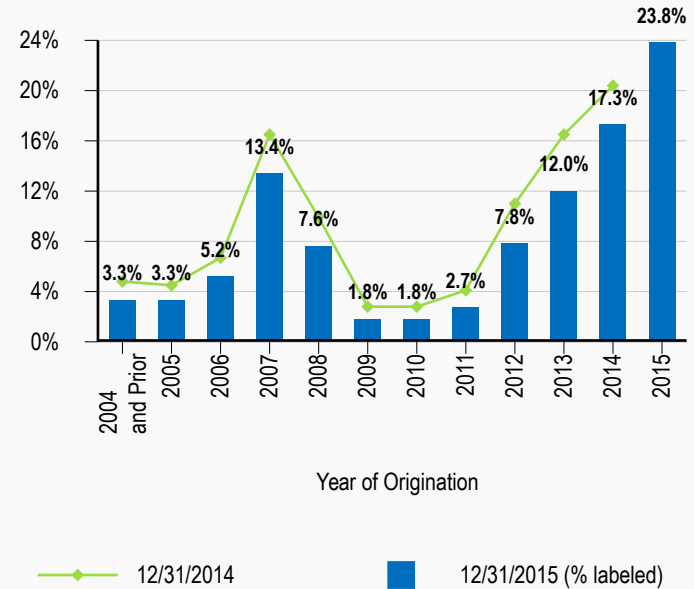
*Note: Charts may not add to 100% due to rounding. In accordance with industry practice, loans approved by GSE and other automated underwriting (AU) systems under "doc waiver" programs that do not require verification of borrower income are classified by MGIC as "full doc." Based in part on information 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, 2015

**Total**



**Flow**

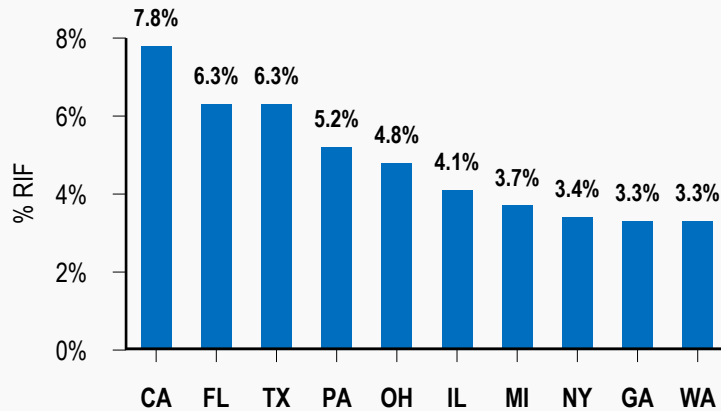


Year of Origination	Remaining Bulk	Wall Street Bulk Transactions
2004 and Prior	15.0%	32.0%
2005	0.3%	23.9%
2006	23.4%	31.9%
2007	57.6%	12.2%
2008	3.7%	—%

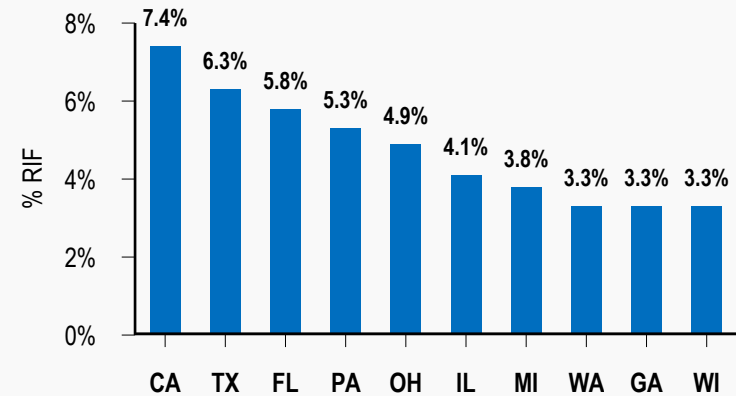
Note: Charts may not add to 100% due to rounding. Year of origination as displayed is determined by the calendar date the insurance was effective.

## Primary Risk in Force December 31, 2015

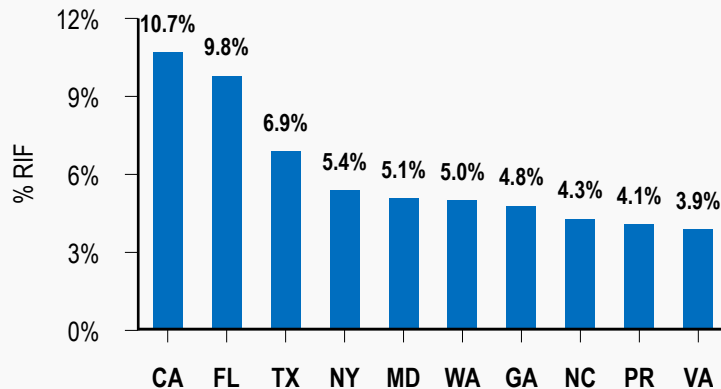
Total



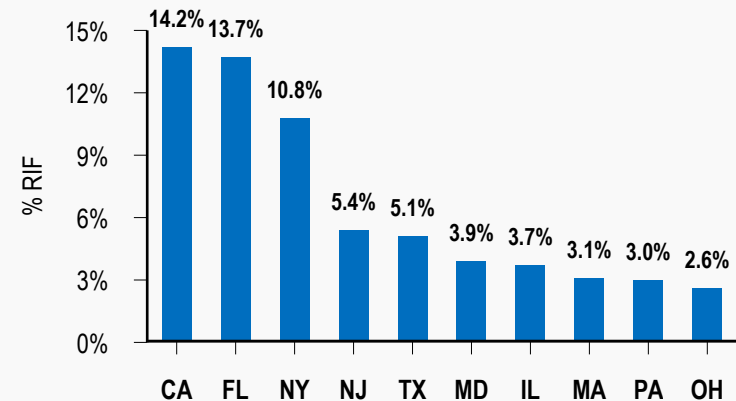
Flow



Remaining Bulk



Wall Street Bulk Transactions





## Primary Risk in Force December 31, 2015 Flow

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	>90% LTV	>97% LTV	% FRM	% <620	% Reduced Doc (1)	% Purchase	% CA	% FL
2004 and Prior	N/A	\$1.42	N/A	15.6%	48.1%	2,330	94.1%	72.1%	28.8%	91.8%	10.9%	7.2%	79.8%	2.4%	8.0%
2005	\$10.24	\$1.41	13.8%	12.8%	57.5%	1,485	85.9%	72.9%	38.0%	88.4%	7.0%	7.4%	82.0%	1.7%	11.0%
2006	\$10.14	\$2.22	21.9%	12.9%	57.4%	2,386	86.6%	73.0%	43.6%	85.4%	8.5%	9.2%	81.0%	1.9%	8.8%
2007	\$18.06	\$5.68	31.5%	12.8%	56.3%	5,146	86.7%	75.0%	46.0%	85.5%	8.0%	7.6%	78.4%	6.6%	6.9%
2008	\$10.49	\$3.24	30.9%	7.4%	72.8%	1,656	79.6%	61.5%	17.0%	91.8%	1.8%	1.8%	75.1%	9.8%	4.2%
2009	\$4.04	\$0.78	19.3%	2.5%	92.3%	183	61.2%	44.9%	0.1%	99.1%	—%	—%	64.5%	3.7%	1.2%
2010	\$3.05	\$0.76	24.9%	1.7%	95.5%	103	60.2%	54.8%	—%	99.7%	—%	—%	74.4%	3.1%	1.2%
2011	\$3.54	\$1.16	32.8%	1.0%	97.4%	123	60.2%	60.3%	—%	99.7%	—%	—%	79.3%	4.2%	1.7%
2012	\$6.10	\$3.30	54.1%	0.6%	98.5%	215	43.7%	63.7%	—%	99.8%	—%	—%	75.1%	6.3%	2.0%
2013	\$7.43	\$5.09	68.5%	0.6%	98.8%	342	36.5%	67.2%	—%	99.8%	—%	—%	82.6%	7.2%	4.3%
2014	\$8.75	\$7.33	83.8%	0.5%	99.1%	532	27.1%	66.6%	—%	99.8%	—%	—%	89.9%	8.8%	6.5%
2015	\$10.35	\$10.11	97.7%	0.1%	99.8%	226	4.9%	63.4%	—%	99.8%	—%	—%	85.6%	10.0%	6.9%

(1) Refer to footnote on page 10

Percentages based on remaining 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, 2015

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
<b>WALL STREET BULK TRANSACTIONS</b>															
2004 and Prior	\$22.77	\$0.72	3.2%	20.9%	30.4%	1,567	94.6%	35.4%	12.1%	63.8%	—%	19.0%	42.4%	11.6%	8.2%
2005	\$5.82	\$0.54	9.3%	27.0%	20.5%	580	93.3%	21.3%	22.4%	67.6%	0.1%	19.3%	45.8%	15.4%	15.5%
2006	\$3.79	\$0.72	19.0%	29.8%	13.3%	643	96.6%	21.7%	30.7%	63.7%	4.0%	16.1%	49.7%	17.3%	16.9%
2007	\$0.92	\$0.28	30.4%	30.1%	21.1%	289	97.9%	18.8%	29.5%	71.4%	0.5%	15.7%	51.9%	10.9%	15.9%
<b>REMAINING BULK</b>															
2004 and Prior	\$6.34	\$0.11	1.7%	18.8%	35.1%	270	93.0%	51.2%	12.2%	54.3%	—%	13.3%	38.8%	8.3%	6.6%
2005	\$0.70	\$0.00	0.0%	17.0%	51.8%	7	100.0%	—%	68.0%	8.7%	—%	50.4%	30.9%	5.1%	3.9%
2006	\$2.19	\$0.16	7.3%	16.0%	50.6%	132	84.8%	17.3%	57.0%	31.0%	—%	5.7%	22.6%	5.1%	11.0%
2007	\$1.10	\$0.41	37.3%	11.2%	58.1%	242	86.8%	0.7%	80.2%	12.4%	—%	1.9%	4.5%	14.3%	10.7%
2008	\$0.18	\$0.03	16.7%	2.3%	86.2%	2	100.0%	0.1%	81.5%	4.1%	—%	—%	3.7%	0.3%	2.2%

Percentages based on remaining 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, 2015

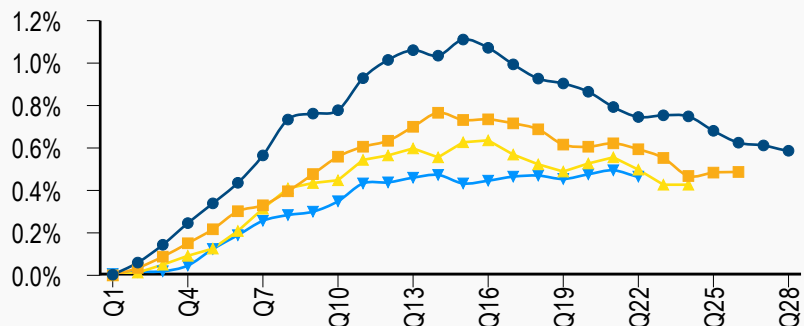
Origination Year	Delinquent Prime Loans	Delinquency Rate Prime Loans	Delinquent A Minus Loans	Delinquency Rate A Minus	Delinquent Sub-Prime Loans	Delinquency Rate Sub-Prime	Delinquent Reduced Doc Loans (1)	Delinquency Rate Reduced Doc Loans (1)	Number of Loans Where the FICO Score Was Not Reported	Delinquency 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	3,549	14.88%	807	26.70%	249	31.05%	312	18.63%	118	6.84%	5,035	16.21%	N.M.
2004	2,429	13.32%	443	22.44%	93	27.52%	283	20.96%	41	10.17%	3,289	14.75%	\$857.0
2005	3,609	10.93%	631	23.29%	107	29.56%	576	23.59%	121	12.80%	5,044	12.78%	\$1,398.5
2006	5,454	10.90%	1,203	22.66%	265	31.40%	899	20.81%	140	11.98%	7,961	12.90%	\$1,998.0
2007	12,303	10.71%	3,155	25.96%	359	36.78%	1,508	19.27%	154	12.38%	17,479	12.75%	\$4,151.5
2008	4,801	6.82%	398	24.58%	10	27.78%	178	16.92%	20	9.22%	5,407	7.38%	\$993.1
2009	513	2.49%	—	—	—	—	1	50.00%	1	5.88%	515	2.50%	\$51.6
2010	274	1.67%	—	—	—	—	—	—	—	—	274	1.67%	\$12.3
2011	246	0.99%	—	—	—	—	—	—	—	—	246	0.99%	\$5.7
2012	388	0.59%	—	—	—	—	—	—	—	—	388	0.59%	\$3.4
2013	615	0.61%	—	—	—	—	—	—	—	—	615	0.61%	\$1.2
2014	672	0.47%	—	—	—	—	—	—	—	—	672	0.47%	\$0.4
2015	163	0.09%	—	—	—	—	—	—	—	—	163	0.09%	---
Total	35,016	4.04%	6,637	24.77%	1,083	32.25%	3,757	20.13%	595	10.27%	47,088	5.11%	

(1) Refer to footnote on page 9.

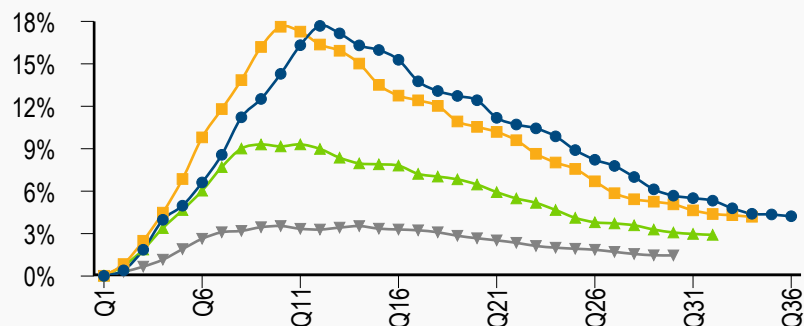
# Flow Primary Risk in Force

## December 31, 2015

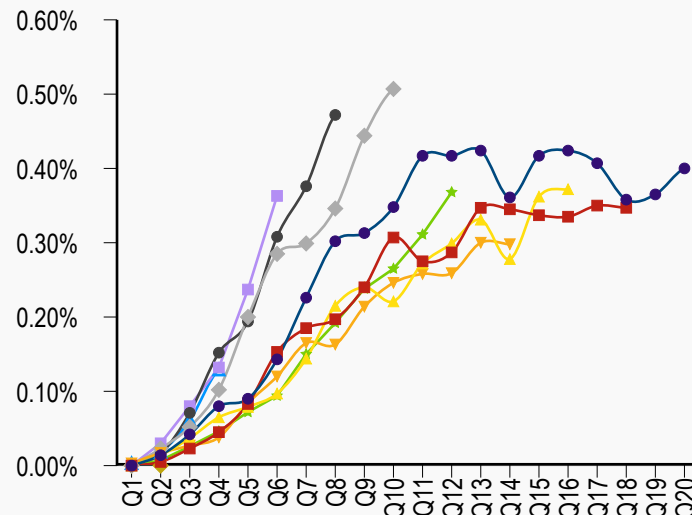
### Static Pool Delinquency Rates Based on Loan Count



1H 2009 2H 2009 1H 2010 2H 2010



1H 2007 2H 2007 1H 2008 2H 2008



1H 2011 2H 2011 1H 2012 2H 2012 1H 2013 2H 2013 1H 2014 2H 2014 1H 2015 2H 2015



## New Insurance Written Characteristics

### Q4 2015

- ❖ 84%                      700+ credit score  
Weighted Average FICO: 748
- ❖ 21.5%                    Single Premium
- ❖ 13.1%                    < 85.01% LTV
- ❖ 33.2%                    85.01 - 90% LTV
- ❖ 49.0%                    90.01 - 95% LTV
- ❖ 4.7%                      > 95% LTV

# Examples of Updated Borrower Paid Monthly Premium Rate Card

## Fixed Rate, > 20 Year Amortization

(Annualized Monthly Premium Rate in Basis Points)

FICO Bands	620 - 639	640 – 659	660 - 679	680 - 699	700 - 719	720 - 739	740 - 759	760+
95% LTV 30% coverage	161	150	142	112	90	77	63	46
90% LTV 25% coverage	110	105	100	73	62	51	42	31

*The premium rates displayed are preliminary and subject to change and must be filed with state insurance regulators. A final borrower paid monthly premium rate card will be published on <https://www.mgic.com/rates/index.html> along with an effective date. In certain states premium rates are subject to approval by state insurance regulators before they can be utilized by lenders. Borrower paid monthly premiums comprised approximately 80% of 2015 new insurance written.*

# Illustrative Example of Borrower Paid Monthly Rate Card Premium Adjustments

**95% 30 Year FRM, 30% Cover**  
**760+Credit Score**

## Existing Premium Rate

*in basis points*

	<i>Without Reinsurance</i>	<i>Impact of Reinsurance</i>	<i>With Reinsurance</i>
<b>Direct Premium</b>	54.0	(16.2)	37.8
<b>Profit Commission</b>	-	6.0	6.0
<b>Net Premium Yield</b>	54.0	(10.2)	43.8
<b>Losses</b>	12.2	(3.7)	8.6
<b>Expenses</b>	10.8	(3.2)	7.6
<b>Losses and Expenses</b>	23.1	(6.9)	16.2
<b>Pretax Income</b>	30.9	(3.2)	27.7

Estimated Monthly Payment Using FHA Insurance	Estimated Monthly Payment Using MGIC Insurance	MGIC Better/(Worse) than FHA
\$1,138	\$1,107	\$31

## New Premium Rate

*in basis points*

	<i>Without Reinsurance</i>	<i>Impact of Reinsurance</i>	<i>With Reinsurance</i>
<b>Direct Premium</b>	46.0	(13.8)	32.2
<b>Profit Commission</b>	-	4.6	4.6
<b>Net Premium Yield</b>	46.0	(9.2)	36.8
<b>Losses</b>	12.2	(3.7)	8.6
<b>Expenses</b>	10.7	(2.8)	7.9
<b>Losses and Expenses</b>	22.9	(6.4)	16.5
<b>Pretax Income</b>	23.1	(2.8)	20.3

Estimated Monthly Payment Using FHA Insurance	Estimated Monthly Payment Using MGIC Insurance	MGIC Better/(Worse) than FHA
\$1,138	\$1,093	\$45

### Notes:

\$220,000 Purchase Price, Owner-Occupied

Basis points of losses are calculated by taking the unpaid principal balance at the time of claim multiplied by the coverage rate plus other claimable expenses such as interest and expenses

Basis points of expenses are calculated by taking the total dollars spent on underwriting, servicing plus other operating expenses, including expenses related with claim processing that are not included in the claimable amount

Existing MGIC Borrower Paid Monthly Premiums as published on the rate cards, 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

New premium rate is preliminary and subject to change

Conventional 30-Year FRM Rate of 4.125%; FHA 30-Year FRM Rate of 3.875%

GSE Loan Level Price Adjustments as of January 18, 2016 are considered; FHA Upfront Premium is added to loan amount; all other closing costs and third-party fees are the same

In Q4 2015 760+ credit scores represented 40% of new insurance written including LPMI

# Illustrative Example of Borrower Paid Monthly Rate Card Premium Adjustments

**95% 30 Year FRM, 30% Cover**  
**680-699 Credit Score**

## Existing Premium Rate

*in basis points*

	<i>Without Reinsurance</i>	<i>Impact of Reinsurance</i>	<i>With Reinsurance</i>
<b>Direct Premium</b>	89.0	(26.7)	62.3
<b>Profit Commission</b>	-	7.1	7.1
<b>Net Premium Yield</b>	89.0	(19.6)	69.4
<b>Losses</b>	29.7	(8.9)	20.8
<b>Expenses</b>	11.8	(5.3)	6.5
<b>Losses and Expenses</b>	41.6	(14.3)	27.3
<b>Pretax Income</b>	47.4	(5.3)	42.1

## New Premium Rate

*in basis points*

	<i>Without Reinsurance</i>	<i>Impact of Reinsurance</i>	<i>With Reinsurance</i>
<b>Direct Premium</b>	112.0	(33.6)	78.4
<b>Profit Commission</b>	-	11.2	11.2
<b>Net Premium Yield</b>	112.0	(22.4)	89.6
<b>Losses</b>	29.7	(8.9)	20.8
<b>Expenses</b>	12.3	(6.7)	5.6
<b>Losses and Expenses</b>	42.0	(15.6)	26.4
<b>Pretax Income</b>	70.0	(6.7)	63.2

Estimated Monthly Payment Using FHA Insurance	Estimated Monthly Payment Using MGIC Insurance	MGIC Better/(Worse) than FHA
\$1,138	\$1,183	(\$45)

Estimated Monthly Payment Using FHA Insurance	Estimated Monthly Payment Using MGIC Insurance	MGIC Better/(Worse) than FHA
\$1,138	\$1,223	(\$85)

### **Notes:**

\$220,000 Purchase Price, Owner-Occupied

Basis points of losses are calculated by taking the unpaid principal balance at the time of claim multiplied by the coverage rate plus other claimable expenses such as interest and expenses

Basis points of expenses are calculated by taking the total dollars spent on underwriting, servicing plus other operating expenses including expenses related with claim processing that are not included in the claimable amount

Existing MGIC Borrower Paid Monthly Premiums as published on the rate cards, 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

New premium rate is preliminary and subject to change

Conventional 30-Year FRM Rate of 4.25% ; FHA 30-Year FRM Rate of 3.875%

GSE Loan Level Price Adjustments as of January 18, 2016 are considered, FHA Upfront Premium is added to loan amount all other closing costs and third-party fees are the same

In Q4 2015 680-699 credit scores represented 10% of new insurance written including LPMI