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National MI and Freedom Mortgage Join Forces to Qualify More Borrowers

National lender Freedom Mortgage approves National MI as a private mortgage insurer

EMERYVILLE, Calif., Dec. 18, 2013 /PRNewswire/ -- National Mortgage Insurance Corporation (National MI), a subsidiary of NMI Holdings, Inc., (NASDAQ: NMIH), and Freedom Mortgage Corporation have teamed up to help more borrowers qualify for mortgage loans by expanding Freedom Mortgage's lending capacity for loans with higher loan-to-value (LTV) ratios. By making National MI an approved provider of private mortgage insurance, Freedom Mortgage is now able to offer its customers more loan options. Freedom Mortgage is a privately held, full-service mortgage lender licensed in all 50 states.

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Private mortgage insurance is typically required on mortgages with loan-to-value (LTV) ratios of greater than 80 percent.

"We're very pleased to be an approved mortgage insurance provider for Freedom Mortgage," said Bradley Shuster, president and CEO of National MI. "With the Federal Housing Administration (FHA) reducing its role in the mortgage market, we believe today's lenders are looking for new private-capital alternatives to help qualify more borrowers and to close loans quickly. We're happy that Freedom, a large national and quickly-growing lender, is choosing to work with National MI."

The FHA is decreasing the role it plays in providing mortgage insurance to borrowers, Shuster noted, making the availability of private mortgage insurance more important to American homeowners. In a recent report to Congress on FHA's financial status for fiscal year 2013, HUD stated "As the housing market has recovered and private credit has begun to return, FHA's market footprint has steadily declined from its peak in 2009, as expected."

The return of the purchase market is also driving demand for private mortgage insurance, Shuster said. "We expect that the role of private mortgage insurance will grow as purchase loans continue to gain market share relative to refinances," Shuster said.

"At Freedom, part of our commitment to service is helping our customers find solutions that address their unique needs, and that can include private mortgage insurance," said Stan Middleman, CEO of Freedom Mortgage. "Our close relationship with National MI helps us to further expand the options available to our customers, particularly those with down payments less than 20 percent."

National MI recently announced enhancements to its master policy. National MI SafeGuardSM, the company's signature product, will provide lenders with rescission relief after 12 months on every loan. That compares to the current industry standard of 36 months. "We believe National MI's enhanced master policy will give lenders greater assurance their claims will be paid, and expect that such coverage will also significantly reduce repurchase risk," Shuster said.

About National MI

National Mortgage Insurance Corporation (National MI) is headquartered in Emeryville, California, in the San Francisco Bay Area. NMI Holdings, Inc., (NASDAQ: NMIH), a publicly traded company and National MI's parent company, raised over \$500 million of capital in a private placement of its securities in April 2012 and completed its initial public offering in November 2013. National MI has received approval from Fannie Mae and Freddie Mac as a qualified mortgage insurer, and has been approved to provide mortgage insurance in 49 states and the District of Columbia. To learn more about National MI, please visit www.nationalmi.com

About Freedom Mortgage

Freedom Mortgage Corporation is a national, full service mortgage banker with retail, wholesale, correspondent and commercial origination and servicing operations. The company is licensed in all 50 states, DC and Puerto Rico. Freedom Mortgage maintains an A rating with the Better Business Bureau and is known for using the most advanced technologies and providing world-class service to its clients, borrowers and partners. The company was founded in 1990 and is headquartered in Mount Laurel, New Jersey. For more information, please visit www.FreedomMortgage.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release may constitute forward-looking statements within the meaning of the Private

Securities Litigation Reform Act of 1995. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. All forward-looking statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Many risks and uncertainties are inherent in our industry and markets. Others are more specific to our business and operations. These risks and uncertainties include, but are not limited to, those set forth under the heading "Risk Factors" in our most recent Registration Statement on Form S-1, and described from time to time in subsequent reports, filed with the U.S. Securities and Exchange Commission, [including our Quarterly Report on Form 10Q for the third quarter of 2013, filed on December 17, 2013.] Any or all of our forward-looking statements in this press release may turn out to be inaccurate. Consequently, our actual results could differ materially from those anticipated in such forward-looking statements contained in this press release. Any forward-looking statement speaks only as of the date on which it is made and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events except as required by law.

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