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National MI Launches Rate GPS Risk-Based Pricing

Allows for more precise pricing based on a loan's risk profile

EMERYVILLE, Calif., May 21, 2018 (GLOBE NEWSWIRE) -- National Mortgage Insurance Corporation (National MI), a subsidiary of [NMI Holdings, Inc.](#) (NASDAQ:NMIH), announces the introduction of Rate GPSSM, a new risk-based pricing platform that assesses a variety of loan characteristics to more closely align National MI's premium rates to the risk associated with individual loans. Rate GPS, which is a significant evolution in the way National MI evaluates and prices risk, will be available to all National MI lenders beginning June 4, 2018.

Rate GPS will evaluate a variety of factors -- including credit scores, loan-to-value ratios, debt-to-income ratios and other borrower, loan, and lender characteristics -- to precisely calculate the appropriate mortgage insurance rates for individual loans. The new, granular risk-based pricing approach supports National MI's goals for maintaining capital strength, generating strong risk-adjusted returns, and bolstering the credit quality of its loan portfolio. Based on the company's current mix of business, Rate GPS represents an estimated overall rate reduction of less than 10%.

"Rate GPS aligns with our lender customers' desire for more targeted pricing and will ultimately enable lenders to structure their loans with more precision. We believe it will provide a more affordable option for borrowers," said Brad Shuster, CEO of National MI.

With Rate GPS, National MI leverages the modern analytical and modelling tools available through its state of the art IT platform to evaluate and assess historical loan data to produce rates that are closely calibrated to loan risks. The technology supporting Rate GPS is intended to deliver a smooth and seamless pricing process for lenders and their borrower customers.

"One of National MI's chief objectives is to help lenders open up homeownership opportunities for more borrowers sooner and more affordably, and Rate GPS has been designed to further that goal," Shuster said. "At the same time, our new risk-based pricing solution will help us effectively manage risk and quickly respond to changes in the market, which advances our equally important goal of delivering appropriate returns for our shareholders."

About National MI

National Mortgage Insurance Corporation (National MI), a subsidiary of NMI Holdings, Inc. (NASDAQ:NMIH), is a U.S.-based, private mortgage insurance company enabling low down payment borrowers to realize home ownership while protecting lenders and investors against losses related to a borrower's default. To learn more, please visit www.nationalmi.com

Cautionary Note Regarding Forward Looking Statements

This press release contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements about future, not past, events and involve certain important risks and uncertainties, any of which could cause our actual results to differ materially from those expressed in our forward-looking statements. Forward-looking statements in this press release include, without limitation, statements regarding the expected positive impacts of National MI's risk-based pricing strategy on its business and customers and National MI's positioning for future performance. Any or all of our forward-looking statements in this press release may turn out to be inaccurate. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward looking statements including, but not limited to, our ability to successfully execute and implement our capital plans and business strategies and the potential failure of our risk management or pricing strategies. More information about the risks, uncertainties and assumptions affecting National MI can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K for the year ended December 31, 2017 and in other filings made with the Securities and Exchange Commission. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, operating results, business strategy and financial needs. All forward-looking statements are necessarily only estimates of future results, and actual results may differ materially from expectations. You are, therefore, cautioned not to place undue reliance on such statements. We do not undertake, and specifically disclaim,

any obligation to revise any forward-looking statements to reflect the occurrence of future events or circumstances.

Press Contact

Mary McGarity

[Strategic Vantage Mortgage Public Relations](#)

(203)513-2721

MaryMcGarity@StrategicVantage.com

Investor Contact

John M. Swenson

Vice President, Investor Relations and Treasury

john.swenson@nationalmi.com

(510)788-8417

 Primary Logo

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