



National MI Announces Pricing of Insurance-Linked Notes Transaction

July 25, 2019

EMERYVILLE, CA, July 25, 2019 (GLOBE NEWSWIRE) -- NMI Holdings, Inc. (Nasdaq: NMIH) today announced the pricing of \$327 million of 10-year mortgage insurance-linked notes issued by Oaktown Re III Ltd. (Oaktown Re III), a newly formed Bermuda special-purpose insurer. The notes are being offered for sale to eligible third-party capital markets investors in an unregistered private offering. In connection with the transaction, NMIH's wholly owned subsidiary National Mortgage Insurance Corporation (National MI) will receive \$327 million of fully collateralized excess of loss reinsurance protection from Oaktown Re III, covering an existing portfolio of mortgage insurance policies written from June 2018 through June 2019. Oaktown Re III is not a subsidiary or affiliate of NMIH. The transaction is expected to close on July 30, 2019, subject to customary conditions.

The mortgage insurance-linked notes issued by Oaktown Re III consist of five classes as follows:

- \$100,073,000 Class M-1A Notes with an initial interest rate of one-month LIBOR plus 1.40%
- \$100,073,000 Class M-1B Notes with an initial interest rate of one-month LIBOR plus 1.95%
- \$93,401,000 Class M-2 Notes with an initial interest rate of one-month LIBOR plus 2.55%
- \$16,679,000 Class B-1A Notes with an initial interest rate of one-month LIBOR plus 3.50%
- \$16,679,000 Class B-1B Notes with an initial interest rate of one-month LIBOR plus 4.35%

The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or a solicitation of an offer to buy any of the aforementioned securities and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which, or to any person to whom, such an offer, solicitation or sale would be unlawful.

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 statements regarding the National MI's future reinsurance arrangements, which are contingent on the closing of the transaction. Any or all of our forward-looking statements in this press release may turn out to be inaccurate, and you are cautioned not to place undue reliance on such statements. More information about the risks, uncertainties and assumptions affecting us 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, 2018 and in other filings we make with the Securities and Exchange Commission. We do not undertake, and specifically disclaim, any obligation to revise any forward-looking statements to reflect the occurrence of future events or circumstances.

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