



NMI Holdings Announces \$242 Million Insurance-Linked Notes Transaction

October 20, 2020

EMERYVILLE, Calif., Oct. 20, 2020 (GLOBE NEWSWIRE) -- NMI Holdings, Inc. (Nasdaq: NMIH) today announced the pricing of \$242 million aggregate principal amount of 10-year mortgage insurance-linked notes issued by Oaktown Re V Ltd. (Oaktown Re V), a newly formed Bermuda special-purpose insurer. The notes were offered for sale to eligible third-party investors in an unregistered private offering. Oaktown Re V is not a subsidiary or affiliate of NMIH. The transaction is expected to close on October 29, 2020, subject to customary conditions.

The mortgage insurance-linked notes issued by Oaktown Re V consist of the following four classes:

- \$69,676,000 Class M-1A Notes with an initial interest rate of one-month LIBOR plus 2.40%
- \$78,764,000 Class M-1B Notes with an initial interest rate of one-month LIBOR plus 3.60%
- \$78,764,000 Class M-2 Notes with an initial interest rate of one-month LIBOR plus 5.25%
- \$15,147,000 Class B-1 Notes with an initial interest rate of one-month LIBOR plus 7.00%

In connection with the transaction, NMIH's wholly owned subsidiary, National Mortgage Insurance Corporation (National MI), will receive \$242 million of fully collateralized excess of loss reinsurance protection from Oaktown Re V, covering an existing portfolio of mortgage insurance policies written primarily from April 2020 through September 2020. The excess of loss reinsurance coverage provides National MI protection for aggregate losses on subject loans beginning at a 2.00% cumulative claim rate threshold and continuing up to an eventual 6.25% aggregate detachment level. National MI expects to receive initial PMIERS credit for the portion of coverage attaching within the current risk-based required asset charge on subject loans and additional benefit in the future if the PMIERS requirement on subject loans increases, all subject to GSE approval.

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 may contain statements that are deemed to be 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. Any or all of our forward-looking statements in this press release may turn out to be inaccurate. More information about the risks, uncertainties and assumptions affecting the company 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, 2019 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 and in other filings we make with the Securities and Exchange Commission. We have based any forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, operating results, business strategy and financial needs. All forward-looking statements are necessarily only estimates and actual events may differ materially from our current 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.

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