

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|---|---|--|
| 1. Name and Address of Reporting Person* <u>Merkle Claudia J</u> _____ (Last) (First) (Middle) <u>C/O NMI HOLDINGS, INC.</u> <u>2100 POWELL STREET, 12TH FL.</u> _____ (Street) <u>EMERYVILLE CA 94608</u> _____ (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>NMI Holdings, Inc. [NMIH]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>09/05/2018</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|------------|--------------------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Class A Common Shares, \$0.01 par value per share | 09/05/2018 | | M | | 76,000 | A | \$12.32 | 162,195 | D | |
| Class A Common Shares, \$0.01 par value per share | 09/05/2018 | | S | | 76,000 | D | \$21.2603 ⁽¹⁾ | 86,195 ⁽²⁾ | D | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----------------|---|--|--|---|--|
| | | | | Code | V | | Date Exercisable | Expiration Date | | | | | |
| Stock Option (right to buy) | \$12.32 | 09/05/2018 | | M | | 76,000 | (3) | 02/12/2024 | Class A Common Shares, \$0.01 par value per share | \$0 | 0 | D | |

Explanation of Responses:

- The common stock was sold by the reporting person in a series of open market transactions on the transaction date, with a volume weighted average sales price of \$21.2603. The range of sale prices on the transaction date was \$20.75 to \$22.20 per share. The reporting person undertakes to provide, upon request by the SEC staff, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each price.
- Represents 7,317 class A common shares and 78,878 unvested restricted stock units.
- The option award vested in full on February 12, 2017.

Remarks:

/s/ Nicole C. Sanchez as 09/06/2018
Attorney-in-Fact

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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