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EMERYVILLE, Calif., Oct. 22, 2012 /PRNewswire/ -- NMI Holdings, Inc. is well on its way to the early 2013 launch of a new private mortgage insurance company, National Mortgage Insurance Corporation (National MI), as the company makes solid advances in gaining the proper regulatory approvals from state and federal agencies. Earlier this year, NMI Holdings, Inc. raised \$550 million in private capital for the new venture. National MI was founded by Bradley Shuster, chairman, president and CEO, and Jay Sherwood, executive vice president and chief financial officer of the company.

"The capital investment in National MI demonstrates that private investors are prepared to assume mortgage risk as the government looks to decrease its role in the mortgage insurance market," says Shuster. "The need for private mortgage insurance is growing and the return of private capital to the market at this critical time is a key component of the U.S. housing finance market recovery," he says.

A long-time mortgage insurance (MI) industry executive, Shuster has 35 years of experience in financial services, including as president of The PMI Group's international mortgage insurance and strategic investments. Earlier in his career, Shuster was a partner at Deloitte, LLP, where he served as partner-in-charge of Deloitte's Northern California insurance practice and mortgage banking practice.

"Private mortgage insurance is typically required on mortgages with a loan-to-value (LTV) ratio of 80 percent or more, and the mortgage insurance provider is usually chosen by the mortgage lender. Initiatives by the federal government to reduce Fannie Mae's and Freddie Mac's exposure to risk will benefit well-capitalized private mortgage insurers," Shuster notes, citing the Federal Housing Finance Agency's (FHFA's) proposal earlier this year to expand reliance on mortgage insurance for Fannie Mae and Freddie Mac loans.

[http://www.fhfa.gov/webfiles/23408/02-28--2\\_FINAL\\_DeMarco\\_Testimony\\_SBC.pdf](http://www.fhfa.gov/webfiles/23408/02-28--2_FINAL_DeMarco_Testimony_SBC.pdf)

"We are working towards gaining the necessary approvals from regulators, including state departments of insurance during the fourth quarter of this year, with a target launch of writing our first policy in early 2013," Shuster says. "National MI has been working closely with Fannie Mae, Freddie Mac and their regulators at the FHFA, and is making significant progress towards the goal of writing coverage in all 50 states," he adds.

In June 2012, National MI was approved to participate in an accelerated licensing process sponsored by the National Association of Insurance Commissioners (NAIC). The accelerated licensing process gives the company the ability to apply for insurance licenses in multiple states in a streamlined manner.

National MI has leased 24,000 square feet of office space in Emeryville, California in the San Francisco Bay Area. The newly formed company has added over 60 employees to date, and continues to hire across many departments. "National Mortgage Insurance has attracted experienced and talented individuals who have strong knowledge of financial services, residential mortgage and mortgage insurance markets," Shuster says.

The company's capital raise was privately structured through a Rule 144A equity offering. "The company's investors are comprised of experienced institutional and financial services market participants," notes CFO and EVP Sherwood. "Aside from the recent financial crisis, the private mortgage insurance industry has historically been a very attractive business segment. Upon receiving approvals, we seek to deploy over \$500 million of capital and provide insurance capacity to support the lender marketplace," Sherwood says.

#### **About National Mortgage Insurance**

NMI Holdings, Inc., primarily through its subsidiaries, including National Mortgage Insurance Corporation (National MI), intends to offer mortgage insurance on a national basis after receipt of the requisite approvals from Fannie Mae, Freddie Mac and state regulators. The entity was created to build a private mortgage insurer delivering high quality customer service and strong investor results. The company's headquarters are in Emeryville, California. To learn more about National Mortgage Insurance,

visit [www.NationalMI.com](http://www.NationalMI.com).

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