

# News Release

## MGIC Investment Corporation

New York Stock Exchange Common Stock Symbol – MTG

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**MGIC**

*We don't make home loans  
We make home loans possible*

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## MGIC's National Market Trends Index (MTI) Improves slightly to 6.7 in Quarter Ended September 30

**MILWAUKEE (October 19, 2004)** — Mortgage Guaranty Insurance Corporation (MGIC) (NYSE:MTG) today reported that its national Market Trends Index (MTI) improved to 6.70 in the third quarter after being flat at 6.66 for the last two quarters.

"The US economy grew at a steady rate as annual employment rose 1%, its strongest gain since 2001," said Neil Siegel, MGIC's Senior Market Analyst. "However, cutbacks in the airline and auto industries, moderately higher interest rates, and rising energy costs could dampen the rate of economic growth."

MGIC's MTI is based on the Market Trend Analysis Report produced quarterly by MGIC's Credit Policy Department using lagging three-month market data from 73 Metropolitan Statistical Areas (MSAs). The index is a barometer of single-family real estate market conditions with readings ranging from 1.00 to 10.00. A reading of 1.00 indicates a weak market showing no signs of improvement; a reading of 10.00, a strong market with no signs of deterioration. A reading of 6.00 to 8.00 indicates a stable market.

Market Rating	Three Yrs Ago	Year Ago	Previous Quarter	Current
Strong	14	6	8	8
Stable	54	58	54	54
Soft or Weak	5	9	11	11

Siegel notes that 11 of the 73 markets tracked by MGIC are currently experiencing "soft" or "weak" single-family housing market conditions.

"Another increase in interest rates by the Federal Reserve Board had little impact on the housing market as both home prices and existing home sales recorded strong gains," said Siegel. "With this said, we still expect home appreciation to slow to traditional levels."

## Regional and Local Markets

Of the 54 markets currently rated as "stable" in MGIC's Market Trend Analysis, 15 have a short-term projection of "softening" and four have a short-term projection of "improving."

Austin, TX; Buffalo, NY; Denver, CO; Detroit, MI; Indianapolis, IN; Rochester, NY; Portland, OR; San Francisco, CA; San Jose, CA; Salt Lake City, UT; and Tulsa, OK are currently "soft." On the other end of the spectrum, Orange County, CA; Riverside-San Bernardino, CA; San Diego, CA; Orlando, FL; Tampa, FL; West Palm Beach, FL; Honolulu, HI; and Washington, DC are currently "strong", according to MGIC's Market Trend Analysis.

Region	Three Yrs Ago	Year Ago	Previous Quarter	Current Rating
Midwest	6.94	6.25	6.25	6.19
Northeast	6.08	6.23	6.46	6.46
South	7.81	6.81	6.96	6.96
West	7.53	6.76	6.71	6.94
National	7.25	6.58	6.66	6.70

"The Southern and Western regions of the country continued to lead the housing sector, accounting for almost all of the "strong" markets," notes Siegel.

## About MGIC's Market Trend Analysis and the MTI

MGIC's Market Trend Analysis Report is MGIC's assessment of current single-family housing market conditions in each MSA along with a short-term projection of future conditions. The MTI is a numerical rating of single-family housing market health, ranging from 1.00 to 10.00. The rating, which has been calculated for each quarter since the fourth quarter of 1992, is derived from both objective and subjective evaluations of market conditions by MGIC market analysts. It reflects both current conditions as well as expectations of changes in those conditions.

The factual information contained in MGIC's Market Trend Analysis Report was obtained from [Economy.com](http://Economy.com), the [National Association of Realtors \(NAR\)](http://National Association of Realtors (NAR)) and other third-party sources. Many of the opinions and conclusions of MGIC concerning market trends are based on such information. Though MGIC believes such information, opinions, and conclusions are accurate, MGIC does not warrant the accuracy or reliability of same and no one should rely on them in making economic or financial decisions.

## About MGIC

MGIC ([www.mgic.com](http://www.mgic.com)), the principal subsidiary of MGIC Investment Corporation, is the nation's leading provider of private mortgage insurance coverage with \$179.8 billion primary insurance in force covering 1.45 million mortgages as of September 30, 2004. MGIC serves 5,000 lenders with locations across the country and in Puerto Rico, helping families achieve homeownership sooner by making affordable low-down-payment mortgages a reality.

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