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NOAAH and MGIC to Jointly Develop Programs Aimed at Increasing Minority Homeownership

—Quality Pre-Purchase Education and Counseling Is the Key—

MILWAUKEE and WASHINGTON, D.C. (July 29, 2003) — The National Organization of African Americans in Housing (NOAAH) and Mortgage Guaranty Insurance Corporation (MGIC) today announced a partnership designed to promote the expansion and quality of pre-purchase homeownership education and counseling, and to explore other best practices to expand homeownership opportunities for all minorities, especially African Americans.

MGIC, the nation's largest provider of private mortgage insurance (Private MI), is a NOAAH member and a charter member of NOAAH's Homeownership Task Force.

Under the partnership agreement, MGIC and NOAAH will jointly develop and implement homeownership programs that align lenders, investors, state housing finance agencies (HFAs) and NOAAH-certified non-profit homebuyer education and counseling agencies. It is expected that these initiatives will increase African American homeownership while also giving to those new homeowners the skills required to effectively and fully utilize the tools of the nation's mainstream financial system.

"NOAAH's partnership with MGIC will help provide a much needed alternative to high-cost and potentially predatory home loans targeted to minority first-time homebuyers," said Kevin Marchman, Executive Director of NOAAH. "In addition to creating new affordable homeownership opportunities, we will target initiatives born of this partnership to under-served communities where we can have a positive impact in rebuilding economic stability and laying a strong financial foundation."

Over the past 18 months, NOAAH's Homeownership Task Force has worked with mortgage lenders, insurers and investors – including local and state HFAs – to develop viable methods of combating high-cost and predatory lending, which disproportionately impact African Americans. NOAAH's experience is that minority first-time homebuyers, especially African Americans, often require specialized homebuyer preparation, education and training to become successful borrowers. NOAAH's partnership with MGIC will provide the means and some of the resources essential to implementing NOAAH's Homebuyer Preparation and Preservation Network (HPPN), and provide an effective way to educate consumers about

the importance of improving their credit and reducing their debt loads as they move down the path toward affordable homeownership.

The HPPN initiative will uphold that homebuyer preparation and counseling services delivered by local non-profit organizations to borrowers in under-served communities meet standards for quality and effectiveness. Upon receiving NOAAH's HPPN certification, local non-profit homebuyer education and counseling agencies will be eligible to participate in NOAAH homeownership initiatives. Additionally, MGIC will recognize non-profits that are part of NOAAH's HPPN as being "qualified" for participation in the Company's SmartPath™ initiatives.

SmartPath is a program offered by MGIC in which borrowers may be qualified for low-cost Private MI using flexible credit underwriting and loan terms, provided they have been referred by an approved non-profit agency after completing minimum pre-purchase education requirements. As part of these initiatives, lenders who use MGIC's SmartPath insurance charge "prime" or "near-prime" interest rates. The combination of low-cost Private MI and reduced interest rates substantially lowers the cost of homeownership for qualified borrowers. The key to SmartPath is the quality of the pre-purchase education and counseling, notes Geoffrey Cooper, Director - Emerging Markets at MGIC.

"If we are going to reach more and more of the nation's renters and turn them into successful homeowners, we need a strong and viable non-profit counseling industry that works closely with financial service providers in every market across the country," Cooper said. "As part of this partnership, MGIC will be looking to NOAAH to help identify qualified non-profit homeownership counseling agencies that can be tapped to help MGIC, its lender-customers, and mortgage investors jointly reach potential homebuyers with affordable mortgage products."

According to NOAAH, while there are some very good non-profit counseling agencies across the country, the non-profit sector lacks the market presence and cohesion to be a significant force for affordable homeownership in many communities. NOAAH hopes to increase the sector's market presence and cohesion through its HPPN initiative. NOAAH's certification of an organization will be based on tightly-constructed standards and criteria. A non-profit organization could be de-certified if it falls out of compliance or does not produce the results contemplated by HPPN; but at the same time, local organizations will be given a significant degree of latitude on a case-by-case basis to ensure maximum responsiveness to local market conditions, said Phil Miller, Chairman of the NOAAH Homeownership Task Force.

About NOAAH

NOAAH is a national non-profit membership organization and affordable housing advocate for all people of color. Its membership includes public housing authority executives, state housing finance agency executives, and their senior staffs respectively, housing advocates, corporate and industry organizations and partners, housing professionals, financial institutions, housing services providers and affordable

housing residents and their organizations. Founded in 1998, NOAAH has evolved into a strong proponent for increasing affordable housing options for under-served markets.

About MGIC

MGIC (www.mgic.com), the principal subsidiary of MGIC Investment Corporation (NYSE:MTG), is the nation's leading provider of private mortgage insurance coverage with \$193.6 billion insurance in force covering 1.6 million mortgages as of June 30, 2003. MGIC serves more than 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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