



Mortgage Insurance Companies of America
1425 K Street, NW, Suite 210
Washington, D.C. 20005
P 202-682-2683 / F 202-842-9252

Statement by Mortgage Insurance Companies of America (MICA)

Response to Recent Blog Commentary:

Washington, D.C., March 24, 2011 – The Mortgage Insurance Companies of America (MICA) offers this response with regard to recent blog commentary that questions the viability and essential role of private mortgage insurance to facilitate low down payment lending to moderate- and low-income homebuyers.

The blog assertions are not based on fact. The facts are that the financial health and stability of the private MI industry today are a testament to the proven validity of its business model that worked during the worst housing market downturn since the Great Depression. Today, available private MI capital would enable financial markets to originate 1.3 million insured low down payment loans annually for the next three years.

Private MIs have paid all legitimate claims. Since 2007, private MIs have paid Fannie Mae and Freddie Mac a combined total of \$22 billion in claims and receivables on insured mortgages. The amount is equivalent to more than 14 percent of total U.S. taxpayer dollars paid to these two agencies as of year-end 2010.

Private MI industry has demonstrated that it has and will continue to play a critical role in reviving a robust U.S. residential mortgage market with prudent, sustainable, low down payment mortgage loans with the much-needed infusion of private capital.

About MICA

MICA is a trade association representing the private mortgage insurance industry. Its members help loan originators and investors make funds available to home buyers for low down payment mortgages by protecting these institutions from a major portion of the financial risk of default.

MICA members have helped hundreds of thousands of low- to moderate-income families save money by buying or refinancing a home with less than the traditional 20 percent down payment. Private mortgage insurance premiums are tax-deductible for many borrowers who purchase or refinance a home through 2011. For more information, visit: www.privatemi.com. This statement is available online at www.micanews.com.

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