

COMPANY PROFILE

CMG Mortgage Insurance Company

***Working with Credit Unions to support sustainable homeownership
CMG MI. More than MI.***

CMG Mortgage Insurance Company (CMG MI) is the leading provider of private mortgage insurance (MI) products and services for the Credit Union industry. Founded in 1994 as a joint venture between PMI Mortgage Insurance Co. and CUNA Mutual Investment Group, CMG MI provides credit enhancement solutions that help Credit Unions expand their members' opportunities for sustainable homeownership.

CMG MI: A Highly Rated Private Mortgage Insurer

CMG MI is a stand-alone, incorporated entity with its own capital, domiciled in the state of Wisconsin, and licensed to do business in all 50 states and Puerto Rico. CMG MI has dedicated staffing in key operations departments, such as policy servicing and claims.

As a separate legal entity, CMG MI's investment grade rating from S&P and other ratings agencies, is based primarily on CMG MI's own capital, operating performance and loss mitigation efforts. Our rating with S&P has been stable since February 2010.

CMG MI is currently rated BBB by Fitch Ratings, and BBB by Standard & Poor's. Due to the quality of its Credit Union business, as well as CMG MI's financial strength, focused business model and superior credit performance, the company is among the highest rated private mortgage insurers in the United States.

A Proven Business Model

The safest and most predictable way to help more families qualify for homes sooner, mortgage insurance

plays a vital role in contributing to both the growth of the mortgage market and the preservation of homeownership. Private mortgage insurance protects Credit Unions and investors against the high costs of default, allowing Credit Unions to accept down payments of less than the standard 20 percent from their members.

Mortgage insurance companies are required to maintain reserves in excess of standard insurance industry requirements, and the stress test of the recent housing crisis validates the benefits of this enhanced reserve structure and regulatory oversight. Regulators require mortgage insurers to hold significant contingency reserves for potential use during periods of economic stress. State insurance law requires mortgage insurers to hold half of each premium dollar in a contingency reserve, in addition to all standard loss reserves, and hold it for 10 years or earlier in the event that the mortgage insurer's loss ratio exceeds 35%.

Mortgage Insurance: An Integral Component of the U.S. Housing Finance System

Major investors supplying liquidity to the U.S. mortgage market, such as Fannie Mae and Freddie Mac, require credit enhancements on loans with loan-to-value ratios over 80 percent in order to diversify risk and help ensure the stability of the mortgage finance system. Mortgage insurers like CMG MI comprise the private-sector alternative to government-sponsored insurers like the Federal Housing Authority (FHA) and the Veterans Administration (VA).

Total Assets: **\$379 Million**

Cash and Investments: **\$329 Million**

Revenues: **\$41 Million**

(6 months ending June 30, 2011)

Shareholder's Equity: **\$191 Million**

Primary Insurance in Force: **\$20.3 Billion**

Financial data as of June 30, 2011

CMG MI's Value Propositions

- Mortgage insurance can support sustainable homeownership as the preferred solution for credit risk protection on mortgage loans with less than 20% down payments
- Market-leading programs that provide alternatives to foreclosure and preserve homeownership whenever possible
- Provide credit enhancement products that facilitate the sale of mortgages in the secondary market and offer capital relief for loans held in portfolio



CUNA MUTUAL GROUP

CMG Mortgage Insurance Company
CMG MI. More Than MI.
www.cmgmi.com

In the current challenging credit environment, private mortgage insurance acts as a stabilizing “shock absorber” – using private capital to mitigate losses for Fannie Mae and Freddie Mac.

CMG MI: Preserving Homeownership

CMG MI is an industry leader in working with Credit Unions and investors to facilitate loan modifications and workouts on delinquent CMG MI-insured loans during this extraordinary period in the U.S. housing market. Preserving homeownership is important for CMG MI.

- Created special training Webinar to coach Credit Unions on successful loss mitigation best practices (www.cmgmi.com/lossmitwebinar)
- Developed the “CMG MI Guide to Preserving Homeownership and Protecting Your Credit Union,” available at www.cmgmi.com/lossmit&claims
- Implemented streamlined loss mitigation procedures that produce swift approval on all appropriate loan modifications and workouts

Resources and Guidance for Credit Unions

Through its relationship with its parent companies, CMG MI is able to make available to Credit Unions the leading housing and credit union research developed by PMI Mortgage Insurance Co. and CUNA Mutual Group. PMI’s housing reports, *Economic and Real Estate TrendsSM (ERET Report)* and *Housing and Mortgage Market Review (HaMMR)* are widely followed across the industry and many professionals use this data to anticipate trends in the housing market and the greater U.S. economy. CUNA Mutual Group publishes *Credit Union Trends Report*, a monthly pulse-check of the state of the credit union system, and also issues its *Annual Forecast*,

a long-term look at key economic indicators and credit union trends.

Industry Innovation

CMG MI has extensive experience in risk analysis and efficiency-driven technology, leveraging the expertise and resources of its two corporate parents.

- Recognizing the competitive needs of Credit Unions, CMG MI has worked to introduce and implement imaging technology to expedite underwriting decisions and effectively manage credit documentation
- CMG MI is also able to utilize state-of-the-art data-mining capabilities to more precisely identify portfolio-risk characteristics

Supporting the Dream of Homeownership

Since its inception, CMG MI has focused on helping Credit Unions make mortgage loans available to their membership, strengthening communities through greater homeownership opportunities. To that end, CMG MI has taken a lead in providing training and educational services that enhance the ability of Credit Unions to approve sustainable loans for the long term.

At the heart of CMG MI’s mission is the importance of creating sustainable homeownership opportunities. Throughout the life-cycle of a mortgage loan, including origination, servicing, and loss mitigation, CMG MI focuses on helping Credit Unions to keep families in their homes.

CMG MI’s Parent Companies

Combining the strengths of both CUNA Mutual Group and PMI Mortgage Insurance Co., CMG MI is able to provide industry-leading products and services, tailored to Credit Unions’ needs.

Address

CMG Mortgage Insurance Company

595 Market Street, Suite 400
San Francisco, CA 94105
www.cmgmi.com

Executive Officers

Kimberly Shaul

Senior Vice President and
General Manager

G. Michael Edwards

Senior Vice President and
General Manager

Contacts

Public Relations

Marisa Rawling

Manager, Marketing
Communications
415.284.2519

Based in Madison, Wisconsin, CUNA Mutual Insurance Society is a division of CUNA Mutual Group, the leading provider of financial services to Credit Unions and their members worldwide. Rated A by AM Best, CUNA Mutual offers lending protection as well as financial, employee and member solutions, both directly and through strategic partnerships.

PMI Mortgage Insurance Co. (PMI), based in Walnut Creek, California, is a leading provider of residential mortgage insurance products to mortgage lenders and investors.

Statements in this document that are not historical facts, or that relate to future plans, events or performance, are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include our discussion of the environment for mortgage, insurance and our risk management practices. Readers are cautioned that forward-looking statements by their nature involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many factors could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements including, among others, conditions affecting the mortgage insurance industry, general economic conditions, and regulatory and legislative developments. Except as may be required by law, we undertake no obligation to update forward-looking statements.