

COMPANY PROFILE

CMG Mortgage Insurance Company

Working with Credit Unions to support sustainable homeownership

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 Insurance Society, CMG MI provides credit enhancement solutions that help Credit Unions expand their members' opportunities for sustainable homeownership.

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.

CMG MI: A Highly Rated Private Mortgage Insurer

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 most highly rated private mortgage insurers in the United States.

CMG MI's Parent Companies

PMI Mortgage Insurance Co. (PMI), based in Walnut Creek, California, provides residential mortgage insurance products and services that protect lenders and investors against the high costs of default.

www.pmi-us.com

Based in Madison, Wisconsin, CUNA Mutual Insurance Society is a division of CUNA Mutual Group (CMG), the leading provider of financial services to Credit Unions and their members worldwide, offering lending protection, financial, employee and member solutions through strategic partnerships, technological innovations and multiple service channels.

www.cunamutual.com

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 U.S. Department of Veterans Affairs (VA).

In the current challenging credit environment, private mortgage insurance can act 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.

Total Assets: \$422.0 Million

Revenues: \$67.1 Million

Cash and
Investments: \$402.2 Million

Total Policyholders

Surplus: \$276.4 Million

Financial data as of September 30, 2009

CMG MI's Value Propositions

- Drive sustainable homeownership by sharing our experience and understanding of mortgage credit risk.
- Provide loss mitigation guidance and support to Credit Unions seeking to keep families in their homes.
- Provide superior economic, housing and mortgage market insight and expertise through nationally recognized research that assists Credit Unions with critical strategic decisions.
- Provide credit enhancement products that facilitate the sale of mortgages in the secondary market and offer capital relief for loans held in portfolio.



CMG Mortgage Insurance Company

A Joint Venture between PMI Mortgage Insurance Co. and
CUNA Mutual Insurance Society

CMG MI. More Than 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
- Launched the new CU HomeKeepers program suite to support the government’s refinance (HARP) and loan modification (HAMP) initiatives, available at www.cmgmi.com/cuhomekeepers
- Actively partnered with Fannie Mae and Freddie Mac to find new workout opportunities
- Home preservation and loss mitigation were the primary corporate initiatives at CMG MI in 2009 and will continue as such into 2010. The re-focus of resources resulted in significant gains in delinquency reporting accuracy and accelerated approval of loan modification requests from Credit Union customers.

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 their 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 need 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 analytics to more precisely identify portfolio-risk characteristics.

Supporting the Dream of Homeownership

Since its inception, CMG MI has focused on helping Credit Unions make more mortgage loans available to their membership, thus 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

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term. CMG MI also recognizes the importance of pre-purchase homebuyer education, which it makes available to Credit Union members through its relationship with PMI.

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



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.