RADIAN Ensuring the American Dream®

Financial Results

Second Quarter 2015

Safe Harbor Statements

All statements in this report that address events, developments or results that we expect or anticipate may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Exchange Act and the U.S. Private Securities Litigation Reform Act of 1995. In most cases, forward-looking statements may be identified by words such as “anticipate,” “may,” “will,” “could,” “should,” “would,” “expect,” “intend,” “plan,” “goal,” “contemplate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “seek,” “strategy,” “future,” “likely” or the negative or other variations on these words and other similar expressions. These statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management’s current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking statement. These statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment. New risks emerge from time to time and it is not possible for us to predict all risks that may affect us. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements including:

- changes in general economic and political conditions, including unemployment rates, changes in the U.S. housing and mortgage credit markets, declines in home prices and property values, the performance of the U.S. or global economies, the amount of liquidity in the capital or credit markets, changes or volatility in interest rates or consumer confidence and changes in credit spreads, all of which may be impacted by, among other things, legislative activity or inactivity, actual or threatened downgrades of U.S. government credit ratings, or actual or threatened defaults on U.S. government obligations;
- changes in the way customers, investors, regulators or legislators perceive the strength of private mortgage insurers;
- catastrophic events, increased unemployment, home price depreciation or other negative economic changes generally or in geographic regions where our mortgage insurance exposure is more concentrated;
- Radian Guaranty Inc.’s ability to remain eligible under applicable requirements imposed by the Federal Housing Finance Agency (“FHFA”) and by Fannie Mae and Freddie Mac (collectively, the “GSEs”) to insure loans purchased by the GSEs;
- our ability to maintain sufficient holding company liquidity to meet our short- and long-term liquidity needs. We expect to contribute a significant amount of our holding company liquidity to support Radian Guaranty Inc.’s compliance with the final financial requirements (“PMIERs Financial Requirements”) of the Private Mortgage Insurer Eligibility Requirements that were issued by the FHFA in final form on April 17, 2015 (“PMIERs”) and which become effective for existing mortgage insurers on December 31, 2015. Our projections regarding the amount of holding company liquidity that we may contribute to Radian Guaranty Inc. to comply with the PMIERs Financial Requirements are based on our estimates of Radian Guaranty’s “Minimum Required Assets”(a risk-based minimum required asset amount, as defined in the PMIERs, calculated based on net risk in force, which approximates the maximum loss exposure at any point in time and a variety of measures designed to evaluate credit quality) and “Available Assets” (as defined in the PMIERs, these assets primarily include the liquid assets of a mortgage insurer and its affiliated reinsurers, and exclude premiums received but not yet earned), which may not prove to be accurate, and which could be impacted by: (1) our ability to receive, as expected, GSE approval for the amendments to our existing reinsurance arrangements and receive the full PMIERs benefit for these arrangements; (2) whether we elect to convert certain liquid assets into PMIERs-compliant Available Assets; (3) factors affecting the performance of our mortgage insurance business, including our level of defaults, prepayments, the losses we incur on new or existing defaults and the credit characteristics of our mortgage insurance; and (4) how much capital we expect to maintain at our mortgage insurance subsidiaries in excess of the amount required to satisfy the PMIERs Financial Requirements. Contributions of holding company cash and investments from Radian Group will leave less liquidity to satisfy Radian Group’s future obligations. Depending on the amount of holding company contributions that we make, we may be required or may decide to seek additional capital by incurring additional debt, by issuing additional equity, or by selling assets, which we may not be able to do on favorable terms, if at all;
- our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy existing and future state regulatory requirements, including new capital adequacy standards that currently are being developed by the National Association of Insurance Commissioners (“NAIC”) and that could be adopted by states in which we write business;

Safe Harbor Statements (Continued)

- changes in the charters or business practices of, or rules or regulations imposed by or applicable to the GSEs, including: (1) the implementation of the final PMIERs (including as updated on June 30, 2015 to increase the amount of Available Assets that must be held against risk in force associated with lender paid mortgage insurance originated on or after January 1, 2016), which (a) will increase the amount of capital that Radian Guaranty is required to hold, and therefore, reduce our current returns on subsidiary capital, (b) potentially impact the type of business that Radian Guaranty is willing to write, which could reduce our new insurance written ("NIW") and market share, (c) impose extensive and more stringent operational requirements in areas such as claim processing, loss mitigation, document retention, underwriting, quality control, reporting and monitoring, among others, that may result in additional costs to achieve and maintain compliance, and (d) require the consent of the GSEs for Radian Guaranty to take certain actions such as paying dividends, entering into various inter-company agreements, and commuting or reinsuring risk, among others; (2) changes that could limit the type of business that Radian Guaranty and other private mortgage insurers are willing to write, which could reduce our new insurance written NIW and market share; (3) changes that could increase the cost of private mortgage insurance, including as compared to the Federal Housing Administration's ("FHA") pricing, or result in the emergence of other forms of credit enhancement; and (4) changes that could require us to alter our business practices and which may result in substantial additional costs;
- our ability to continue to effectively mitigate our mortgage insurance losses, including a decrease in net "Rescissions" (our legal right, under certain conditions, to unilaterally rescind coverage on our mortgage insurance policies if we determine that a loan did not qualify for insurance), "Claim Denials" (our legal right, under certain conditions, to deny a claim) or "Claim Curtailments" (our legal right, under certain conditions, to reduce the amount of a claim, including due to servicer negligence) resulting from an increase in the number of successful challenges to previous Rescissions, Claim Denials or Claim Curtailments (including as part of one or more settlements of disputed Rescissions or Claim Denials), or as a result of the GSEs intervening in or otherwise limiting our loss mitigation practices, including settlements of disputes regarding "Loss Mitigation Activities" (activities such as Rescissions, Claim Denials, Claim Curtailments and cancellations);
- the negative impact that our Loss Mitigation Activities may have on our relationships with our customers and potential customers, including the potential loss of current or future business and the heightened risk of disputes and litigation;
- any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance;
- a substantial decrease in the persistency rates of our mortgage insurance policies, which has the effect of reducing our premium income on our premiums on mortgage insurance products paid on a monthly installment basis and could decrease the profitability of our mortgage insurance business;
- heightened competition for our mortgage insurance business from others such as the FHA, the U.S. Department of Veterans Affairs and other private mortgage insurers (including with respect to other private mortgage insurers, those that have been assigned higher ratings than we have, that may have access to greater amounts of capital than we do, or that are new entrants to the industry, and therefore, are not burdened by legacy obligations) and the impact such heightened competition may have on our returns and our NIW;
- the increased demand from lenders for customized (reduced) rates on lender-paid, single premium mortgage insurance products, which could further reduce our overall average premium rates and returns and, to the extent we decide to limit this type of business, could adversely impact our market share and our customer relationships;
- changes to the current system of housing finance, including the possibility of a new system in which private mortgage insurers are not required or their products are significantly limited in effect or scope;
- the effect of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the financial services industry in general, and on our businesses in particular;
- the adoption of new or application of existing federal or state laws and regulations, or changes in these laws and regulations or the way they are interpreted, including, without limitation: (1) the resolution of existing, or the possibility of additional, lawsuits, inquiries or investigations (including a recent inquiry from the Wisconsin Office of the Commissioner of Insurance to all private mortgage insurers pertaining to customized insurance rates and terms offered to mortgage insurance customers); (2) changes to the Mortgage Guaranty Insurers Model Act ("Model Act") being considered by the NAIC that could include more stringent capital and other requirements for Radian Guaranty in states that adopt the new Model Act in the future; and (3) legislative and regulatory changes (a) impacting the demand for our products, (b) limiting or restricting the products we may offer or increasing the amount of capital we are required to hold, (c) affecting the form in which we execute credit protection, or (d) otherwise impacting our existing businesses or future prospects;

Safe Harbor Statements (Continued)

- the amount and timing of potential payments or adjustments associated with federal or other tax examinations, including deficiencies assessed by the Internal Revenue Service (“IRS”) resulting from the examination of our 2000 through 2007 tax years, which we are currently contesting;
- the possibility that we may fail to estimate accurately the likelihood, magnitude and timing of losses in connection with establishing loss reserves for our mortgage insurance business;
- volatility in our results of operations caused by changes in the fair value of our assets and liabilities, including a significant portion of our investment portfolio;
- changes in “GAAP” (accounting principles generally accepted in the U.S.) or “SAP” (statutory accounting practices including those required or permitted, if applicable, by the insurance departments of the respective states of domicile of our insurance subsidiaries) rules and guidance, or their interpretation;
- legal and other limitations on amounts we may receive from our subsidiaries as dividends or through our tax- and expense-sharing arrangements with our subsidiaries; and
- the possibility that we may need to impair the estimated fair value of goodwill established in connection with our acquisition of Clayton Holdings LLC, the valuation of which requires the use of significant estimates and assumptions with respect to the estimated future economic benefits arising from certain assets acquired in the transaction such as the value of expected future cash flows of Clayton, Clayton’s workforce, expected synergies with our other affiliates and other unidentifiable intangible assets.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2014, and subsequent reports and registration statements filed from time to time with the U.S. Securities and Exchange Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

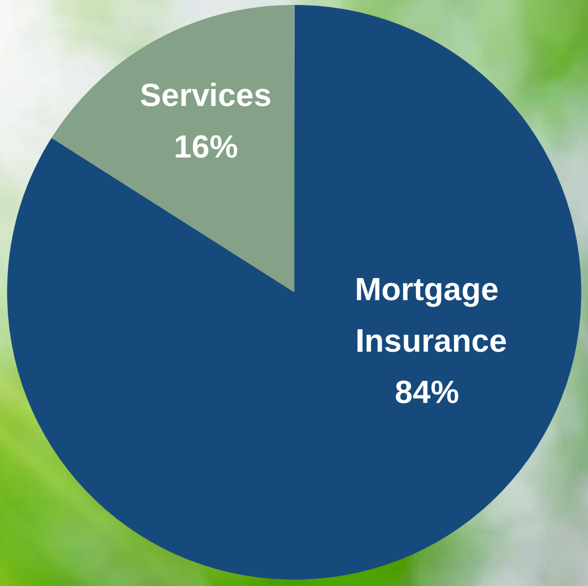
Who Is Radian?

Radian Group Inc., headquartered in Philadelphia, provides private mortgage insurance, risk management products and real estate services to financial institutions through two business segments:

- **Mortgage Insurance**, through its principal mortgage insurance subsidiary Radian Guaranty Inc., protecting lenders from default-related losses, facilitating the sale of low-downpayment mortgages in the secondary market and enabling homebuyers to purchase homes more quickly with downpayments less than 20%.

- **Mortgage and Real Estate Services**, through its principal services subsidiary Clayton, as well as Green River Capital and Red Bell Real Estate. Solutions include information and services that financial institutions, investors and government entities use to evaluate, acquire, securitize, service and monitor loans and asset-backed securities.

Revenue By Business Segment (2Q 2015)



Total Segment Revenue[1]: $282 million

(1) Includes net premiums earned and Services revenue, and excludes net investment income, net gain on investments and other financial instruments and other income.

NYSE: RDN
www.radian.biz

Ensuring the American Dream®

Q2 Highlights

Net income from continuing operations of $45 million or $0.20 net income per diluted share

Includes $28.4 million of net gains on investments and other financial instruments and a $91.9 million loss on induced conversion and debt extinguishment from actions to strengthen capital structure

Net income of $4.9 million from discontinued operations

Book value per share of $11.28. Decrease in book value from Q1 2015 related to issuance of shares resulting from capital actions

Adjusted pretax operating income of $147 million(1)

Consists of $145.4 million of income from the Mortgage Insurance segment and $1.8 million of income from the Services segment

Approximately $735 million of currently available holding company liquidity

$330 million of currently available holding company liquidity expected to be required to comply with the financial requirements of PMIERs

Issued $350 million aggregate principal amount of Senior Notes due 2020

Purchased $389.1 million aggregate principal amount of our Convertible Senior Notes due 2017

Strong share of high-quality new mortgage insurance business

NIW of $11.8 billion compared to $9.3 billion in Q2 2014. Added 42 new MI customers in the quarter.

100% Prime; 63% with FICO of 740 or above

Services segment total revenue of $45 million

Gross profit of $19.1 million

Clayton introduced an Asset Representations Reviewer service to help issuers of asset-backed securities comply with the requirements of the SEC's amendments to Regulation AB.

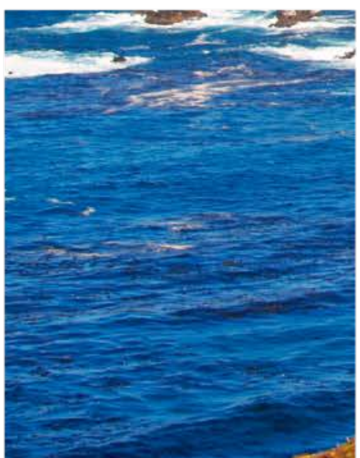
(1) Adjusted results, as used in this presentation, are non-GAAP financial measures. For a reconciliation of the adjusted results to the comparable GAAP measures, see Radian's website. For a definition of adjusted pretax operating income (loss) see Exhibit F to Radian's second quarter 2015 earnings press release dated July 22, 2015.

Q2 Highlights

Improved composition of MI portfolio

New business written after 2008 represents 82% of primary risk in force

New business written after 2008, excluding HARP volume, represents 72% of primary risk in force



Mortgage insurance in force of $173 billion

Compared to $171.8 billion as of December 31, 2014, and $165.0 billion as of June 30, 2014

$9.8 million of incremental premiums earned from single premiums compared to the first quarter of 2015, the majority of which related to prepayments that servicers had not previously reported to Radian

Persistency, the percentage of mortgage insurance in force that remains on books after a 12-month period, was 80.1%

Continued decline in number of mortgage insurance defaults

Total number of primary delinquent loans decreased by 23% from Q2 2014

Primary mortgage insurance delinquency rate decreased to 4.3% from 5.8% in Q2 2014

Mortgage insurance loss provision of $32 million

Loss reserves of approximately $1.2 billion – down from $1.7 billion in Q2 2014

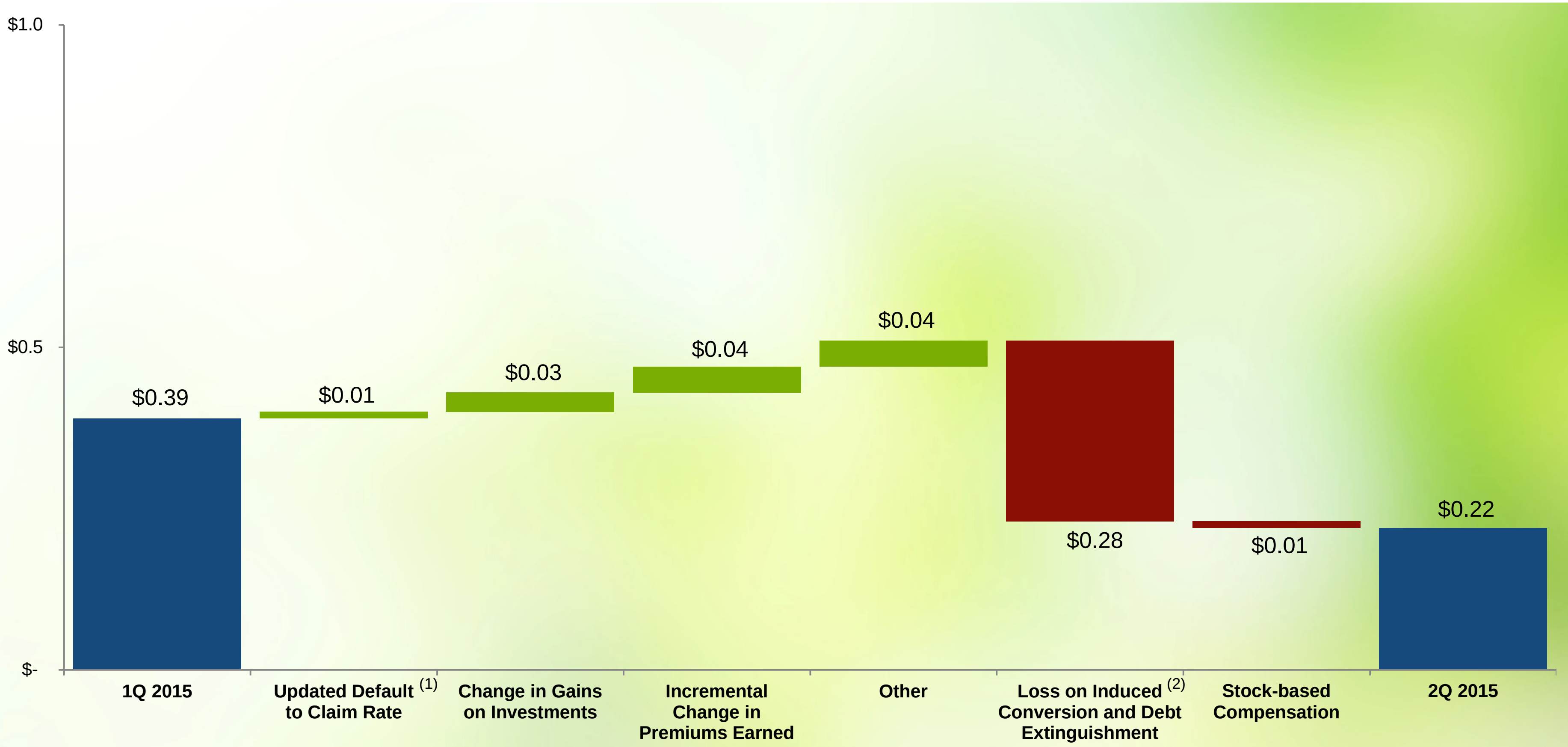
Primary reserves (excluding IBNR and other reserves) were $27,279 per primary default vs. $26,024 in Q2 2014

Loss ratio of 13.3% was down compared to 31.7% in Q2 2014

Total mortgage insurance net claims paid of $212 million, including $76 million related to the BofA Settlement Agreement

Expects net claims paid for full-year 2015 of $600 - $700 million which includes a total of $250 million of claims expected to be paid related to the BofA Settlement Agreement

Q1 2015 to Q2 2015 GAAP Earnings Per Share



(1) Based on recent experience the company updated its default to claim rate for new notices of default from 15% to 14%.

(2) Radian completed a series of actions in the second quarter to strengthen the company's capital structure, including to reduce its overall cost of capital, improve its maturity profile and facilitate improved credit ratings. See Slide 11 for additional details.

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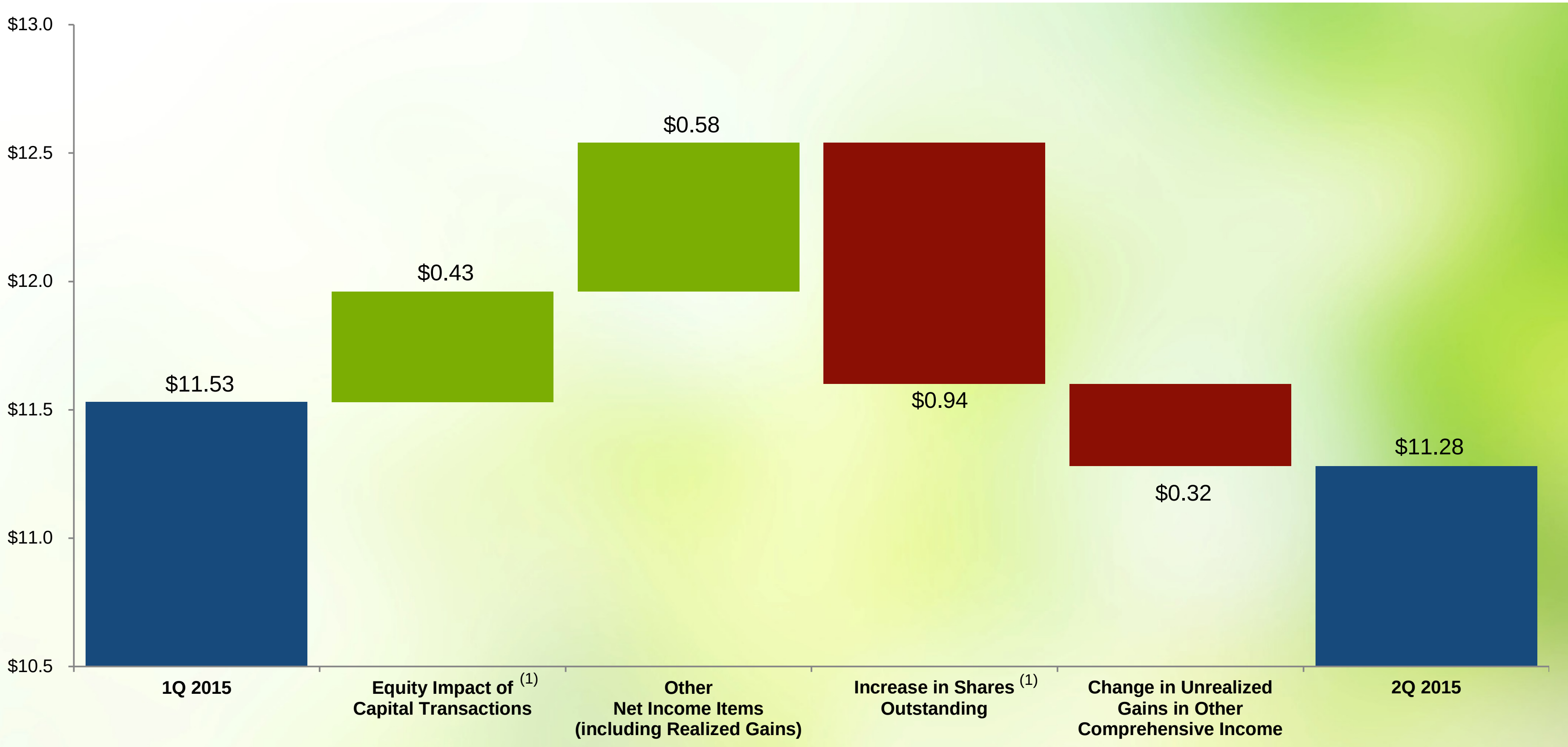
Q1 2015 to Q2 2015 GAAP Book Value Per Share



(1) Radian completed a series of actions in the second quarter to strengthen the company's capital structure, including to reduce its overall cost of capital, improve its maturity profile and facilitate improved credit ratings. See Slide 11 for additional details.

Financial Highlights

Radian Group Inc. Consolidated
($ in millions, except per share amounts)

	June 30, 2015	December 31, 2014	June 30, 2014
Total assets	$ 5,736.5	$ 6,842.3	$ 5,912.7
Loss reserves	$ 1,204.8	$ 1,560.0	$ 1,717.3
Unearned premiums	$ 665.9	$ 644.5	$ 597.9
Long-term debt	$ 1,224.9	$ 1,192.3	$ 1,172.6
Stockholders' equity	$ 2,353.4	$ 2,097.1	$ 1,584.2
Book value per share	$ 11.28	$ 10.98	$ 8.29
Available holding company liquidity	$ 734.6	$ 669.5	$ 787.7
Statutory capital (Radian Guaranty)	$ 1,959.7	$ 1,714.6	$ 1,511.5
Risk-to-capital ratio (Radian Guaranty)	16.5:1*	17.9:1	18.7:1

*Preliminary

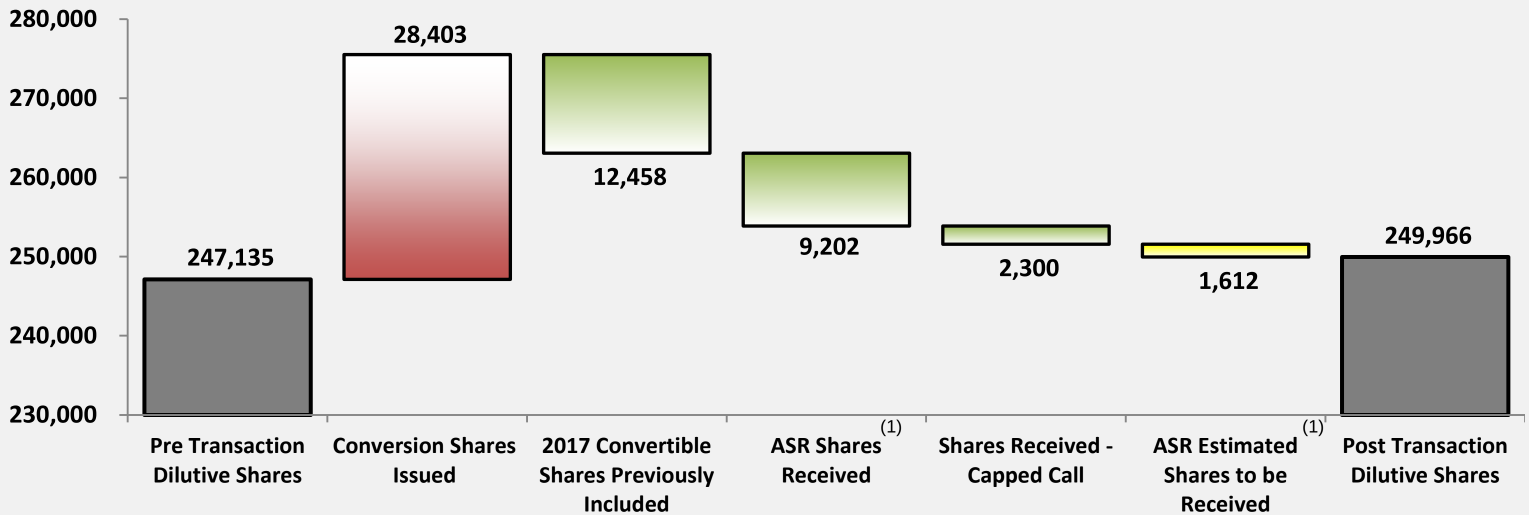
2017 Convertible Notes Conversion & Related Transactions

The following table illustrates the accounting impact of the debt and capital transactions executed in June 2015 (in millions):

(in millions)	As of March 31, 2015	Issuance of $350M Senior Debt	Convertible Notes Extinguishment	Net P&L	Termination of Capped Calls	ASR (1)	Pro Forma March 31, 2015	Difference
Available holding company liquidity	$ 707	$ 343	$ (130)	$ -	$ 12	$ (202)	$ 730	$ 23
Total long-term debt	1,202	343	(331)	-	-	-	1,214	12
Equity component of currently redeemable convertible senior notes	69	-	(55)	-	-	-	14	(55)
Stockholder's Equity	2,207	-	349	(70)	12	(202)	2,296	89
Total Capitalization	3,478	343	(37)	(70)	12	(202)	3,524	46

(1) Accelerated Share Repurchase program

The following chart illustrates the impact from capital transactions executed in June 2015 to dilutive shares, which increased by approximately 2.8 million shares:



Note: Share count activity is based on closing day stock price of $18.68. Actual weighted average dilutive shares outstanding for the quarter ended June 30, 2015 is 247 million.

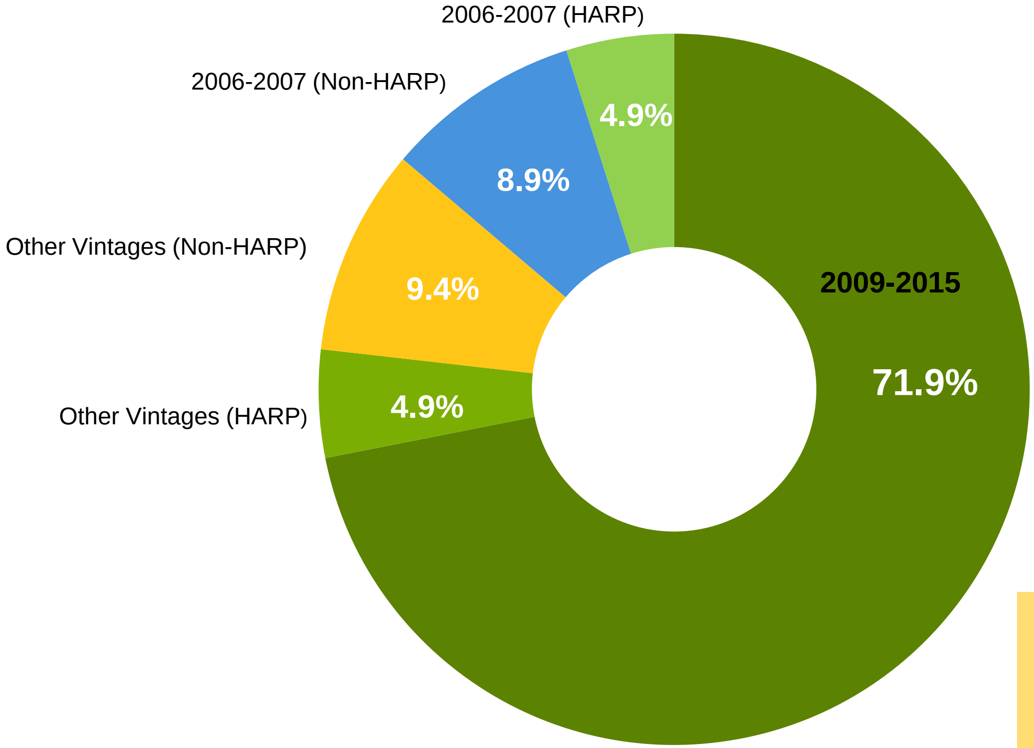
(1) The Accelerated Share Repurchase program (ASR) was executed for a cash payment of $202 million in exchange for 9.2 million initial shares and an estimated additional 1.6 million shares upon completion of the ASR, assuming an average stock price of $18.68.

MORTGAGE INSURANCE

RADIAN

Improved Composition of MI Portfolio[1]

NIW since 2009 and HARP volume combined **now represents 82%** of Radian's mortgage insurance primary risk in force as of Q2 2015



Approximately 66% of Radian's performing mortgage insurance risk in force from the 2005 - 2008 vintage years has never been in default.

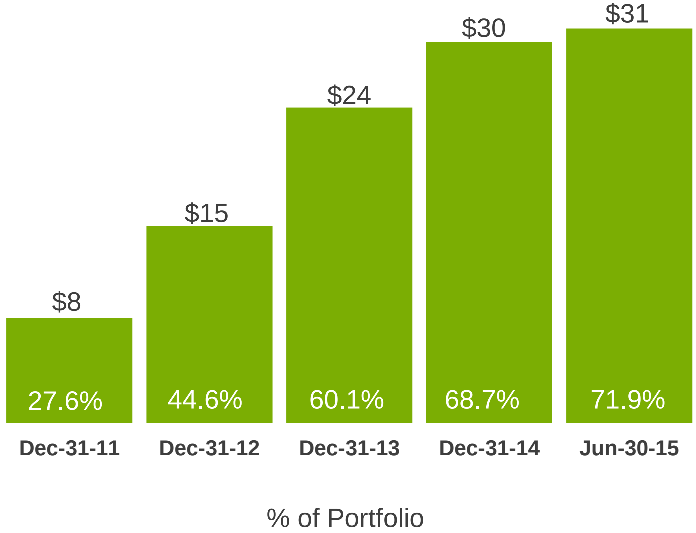
(1) Includes amounts subject to the Freddie Mac Agreement.

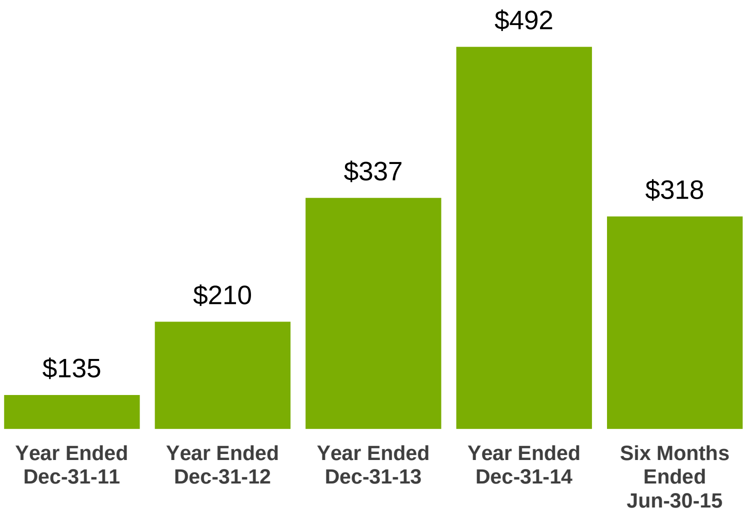
Profitability of Newer Vintages Improving Performance of MI Portfolio

Gross Primary Risk in Force
($ in billions)

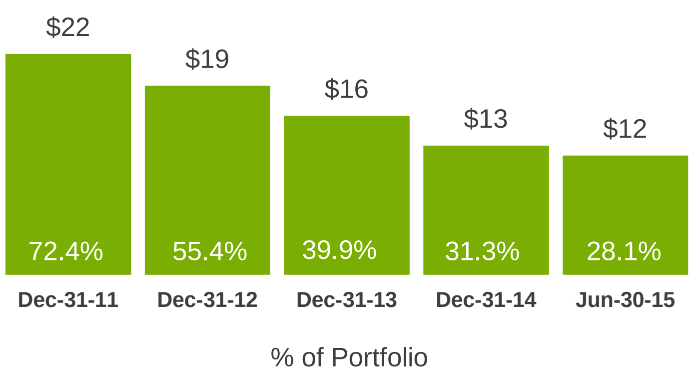
Earned Premiums Less Incurred Losses
($ in millions)[1]

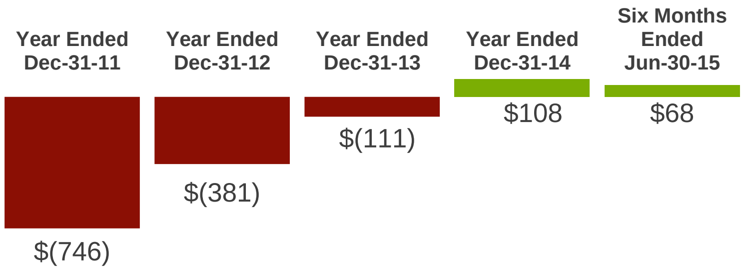
2009 and Later Vintages





2008 and Prior Vintages





(1) Represents premiums earned and incurred losses on first-lien portfolio including the impact of ceded premiums and losses related to the 2012 Quota Share Reinsurance transactions, but excluding any reduction for ceded premiums and losses recoverable through our other reinsurance transactions.

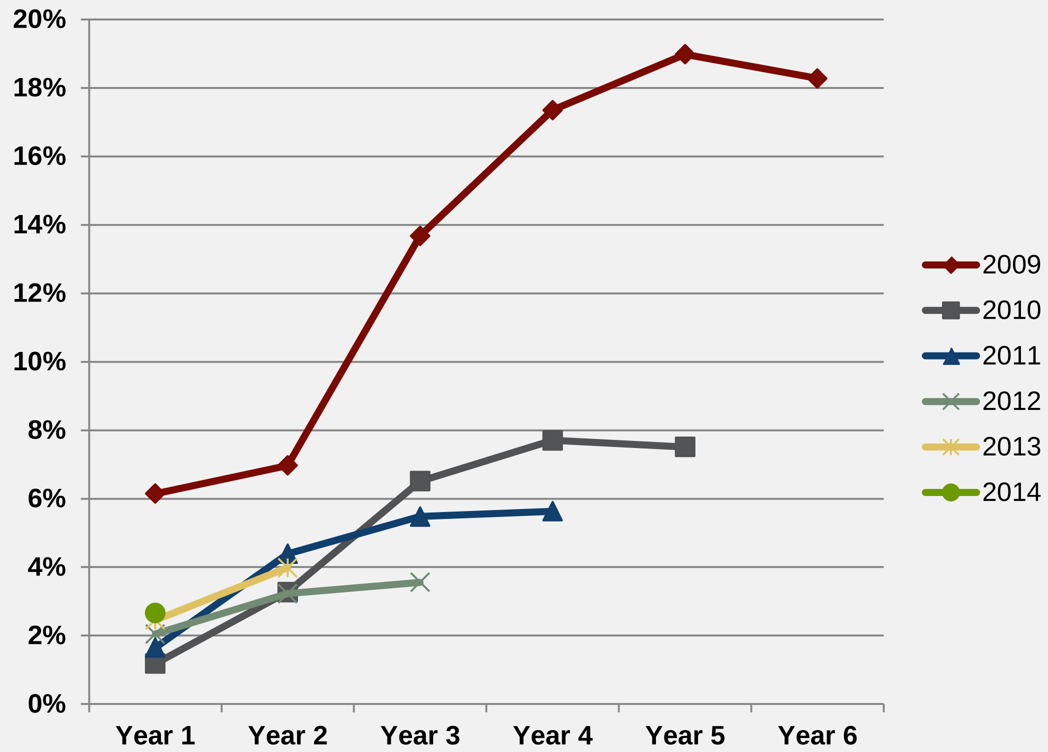
First-Lien Mortgage Insurance: 2015 Performance by Vintage

($ in millions)

	Six Months Ended June 30, 2015			Three Months Ended June 30, 2015
Vintage	**Premiums Earned[1]**	**Incurred Losses[1]**	**Net**	**Net**
2005 and Prior	$ 39.2	$ (10.9)	$ 50.1	$ 23.5
2006	26.9	19.8	7.1	4.3
2007	48.3	49.3	(1.0)	2.9
2008	28.5	17.0	11.5	6.7
2009	12.7	0.7	12.0	6.0
2010	11.8	0.3	11.5	6.0
2011	20.8	(0.3)	21.1	11.5
2012	63.9	(0.4)	64.3	34.0
2013	108.4	2.8	105.6	53.7
2014	91.9	2.3	89.6	44.8
2015	14.3	0.1	14.2	12.2

(1) Represents premiums earned and incurred losses on first-lien portfolio including the impact of ceded premiums and losses related to the 2012 Quota Share Reinsurance transactions, but excluding any reduction for ceded premiums and losses recoverable through our other reinsurance transactions.

Primary Mortgage Insurance: Cumulative Incurred Loss Ratio by Development Year



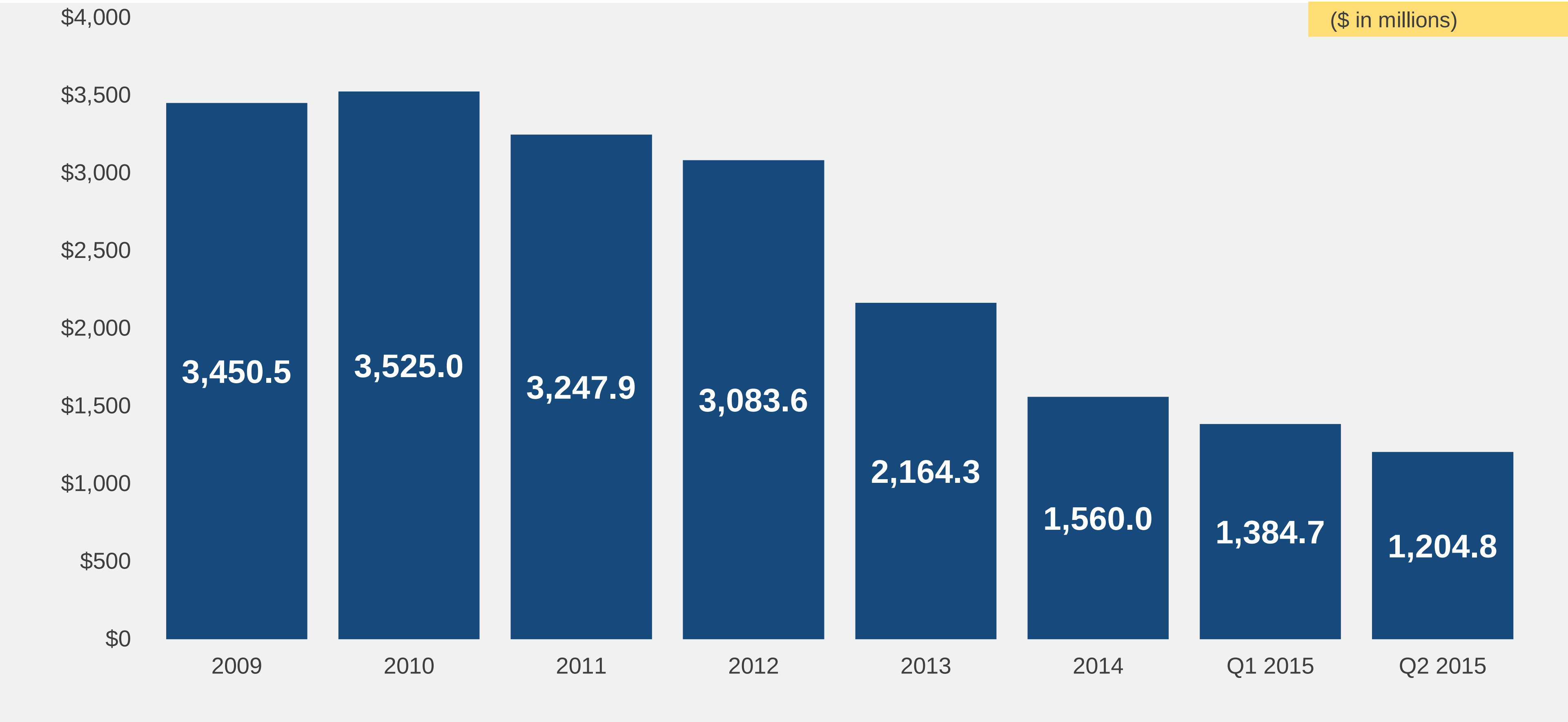
Incurred Loss Ratio							
Vintage	**Dec-09**	**Dec-10**	**Dec-11**	**Dec-12**	**Dec-13**	**Dec-14**	**Jun-15**
2009	6.1%	7.0%	13.7%	17.4%	19.0%	18.3%	17.8%
2010		1.2%	3.3%	6.5%	7.7%	7.5%	7.2%
2011			1.7%	4.4%	5.5%	5.6%	5.0%
2012				2.0%	3.2%	3.6%	2.9%
2013					2.5%	4.0%	3.6%
2014						2.7%	2.6%

Private Mortgage Insurer Eligibility Requirements (PMIERs)

As of June 30, 2015, Radian Guaranty **would be able to immediately comply** with the financial requirements of the Private Mortgage Insurer Eligibility Requirements (PMIERs) developed by Fannie Mae and Freddie Mac as adopted on April 17, 2015, and that come into effect on December 31, 2015, by utilizing approximately **$330 million** of existing holding company liquidity.

This assumes that the company converts approximately $80 million of existing liquid assets, which represent the cash surrender value of Radian's company-owned life insurance policies held for certain officers and employees, into PMIERs-compliant Available Assets (as defined in the PMIERs) and receives, as expected, full PMIERs benefit of approximately $145 million for its outstanding quota-share reinsurance arrangements.

Total Mortgage Insurance Loss Reserves



Components of Provision for Losses

($ in millions)

	Three Months Ended				
	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
New defaults	$59.8	$ 64.9	$ 77.5	$ 72.4	$ 74.4
Existing defaults, Second-lien, LAE and Other [(1)]	(28.2)	(19.0)	6.1	(23.5)	(9.8)
Provision for Losses	**$31.6**	**$45.9**	**$83.6**	**$48.9**	**$64.6**

(1) Represents the provision for losses attributable to loans that were in default as of the beginning of each period indicated, including: (a) the change in reserves for loans that were in default status (including pending claims) as of both the beginning and end of each period indicated; (b) the net impact to provision for losses from loans that were in default as of the beginning of each period indicated but were either cured, prepaid, or resulted in a paid claim or a rescission or denial during the period indicated; (c) the impact to our IBNR reserve during the period related to changes in actual and estimated reinstatements of previously rescinded policies and denied claims, including potential reinstatements we are in the process of discussing with servicers, including those subject to the BofA Settlement Agreement; (d) Second-lien loss reserves and premium deficiency reserves; and (e) LAE and other loss reserves.

Primary Loans in Default

June 30, 2015

($ in thousands)

	Total		Foreclosure Stage Defaulted Loans	Cure % During the 2nd Quarter	Reserve for Losses	% of Reserve
Missed payments	**#**	**%**	**#**	**%**	**$**	**%**
3 payments or fewer	9,668	25.7%	184	33.3%	$117,029	12.0%
4-11 payments	8,433	22.4	656	18.0	159,768	16.3
12 payments or more (2)	15,725	41.7	3,416	4.8	508,581	51.9
Pending claims (2)	3,850	10.2	N/A	1.2	194,114	19.8
	37,676 (1)	**100.0%**	**4,256**		**$979,492**	**100.0%**
IBNR and other					125,038	
LAE					48,141	
Total primary reserves					**$1,152,671**	

Key Reserve Assumptions	Gross Default to Claim Rate %	Net Default to Claim Rate %	Severity %
	54%	**50%**	**105%**

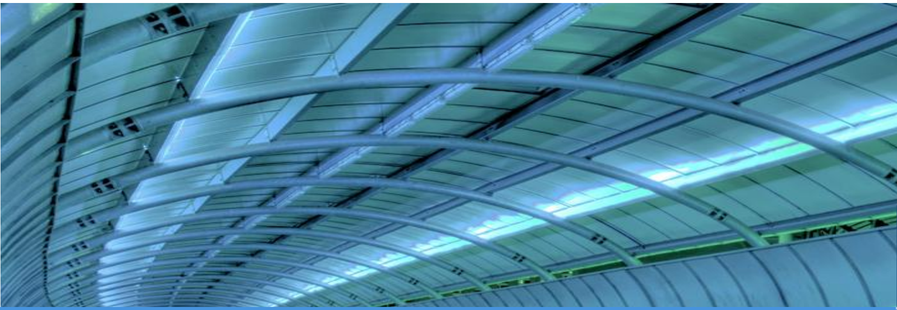
(1) Primary risk in force on defaulted loans at June 30, 2015 was $1.8 billion, which excludes risk related to loans subject to the Freddie Mac Agreement. Excludes 3,246 loans subject to the Freddie Mac Agreement that are in default at June 30, 2015, as we no longer have claims exposure on these loans.

(2) 52% of defaults that have missed twelve payments or more (including the portion in pending claims) are greater than three years old.

Direct Primary Risk in Force and Reserves by Vintage

	June 30, 2015		December 31, 2014		June 30, 2014	
	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses
2005 and prior	7.3%	35.3%	8.2%	34.0%	9.5%	33.6%
2006	4.2	18.2	4.6	18.0	5.2	18.2
2007	9.6	31.7	10.6	33.1	11.8	33.8
2008	7.0	10.4	7.9	11.4	8.9	11.6
2009	2.0	1.0	2.5	1.0	3.1	1.2
2010	1.7	0.4	2.1	0.3	2.6	0.4
2011	3.5	0.5	4.2	0.5	5.0	0.4
2012	13.0	0.9	15.1	0.8	17.5	0.5
2013	20.8	1.2	23.8	0.8	26.6	0.3
2014	19.0	0.4	21.0	0.1	9.8	-
2015	11.9	-	-	-	-	-
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Primary Insurance in Force: Default Rollforward



	Q2 15	Q1 15	Q4 14	Q3 14	Q2 14
Beginning Default Inventory	**40,440**	**45,319**	**46,843**	**48,904**	**53,119**
New Defaults (1)	10,006	10,253	12,070	12,339	11,454
Cures (1)	(9,591)	(11,589)	(10,739)	(10,777)	(10,930)
Claims Paid (2) (3)	(3,891) (4)	(3,932) (4)	(2,235)	(3,067)	(4,698)
Rescissions (5)	(35)	(39)	(37)	(70)	(61)
Denials (6)	25	42	(146)	(188)	16
Net Reinstatements (Rescissions/Denials) relating to BofA Settlement Agreement (7)	722	386	(437)	(298)	4
Ending Default Inventory	**37,676**	**40,440**	**45,319**	**46,843**	**48,904**

(1) Amounts reflected above are compiled on a monthly basis consistent with reports received from loan servicers. The number of New Defaults and Cures presented includes the following number of monthly defaults that both defaulted and cured within the period indicated:

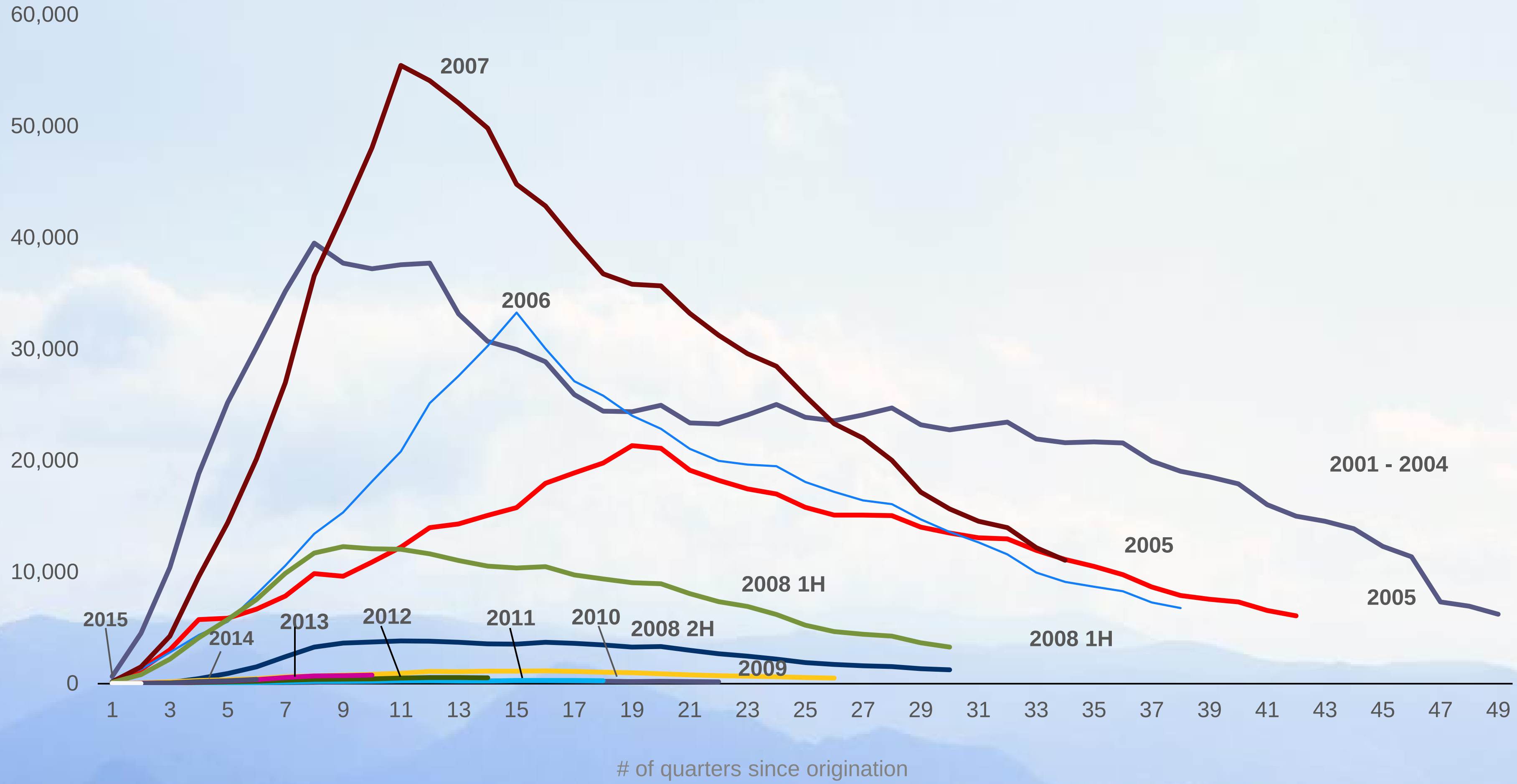
	Q2 15	Q1 15	Q4 14	Q3 14	Q2 14
	3,877	4,761	4,834	4,663	4,271

(2) Includes those charged to a deductible or captive.
(3) Excludes 379 claims processed in accordance with the terms of the Freddie Mac Agreement in Q2 2015.
(4) 1,315 and 1,475 claims payments in Q2 and Q1 2015, respectively, are associated with the implementation of the BofA Settlement Agreement.
(5) Net of any previously rescinded policies that were reinstated during the period. Such reinstated rescissions may ultimately result in a paid claim. In Q2 2015, there were 37 rescissions and 2 reinstatements of previously rescinded policies.
(6) Net of any previously denied claims that were reinstated during the period. Such previously denied but reinstated claims are generally reviewed for possible rescission prior to any claim payment. In Q2 2015, there were 277 denials and 302 reinstatements of previously denied claims.
(7) Includes rescissions, denials and reinstatements on the population of loans subject to the BofA Settlement Agreement.

Primary Mortgage Insurance Default Rates

(1) Insured loans subject to the Freddie Mac Agreement are included in the denominator (8,041 insured loans at June 30, 2015) and loans in default subject to the Freddie Mac Agreement are excluded from the numerator (3,246 loans in default at June 30, 2015).

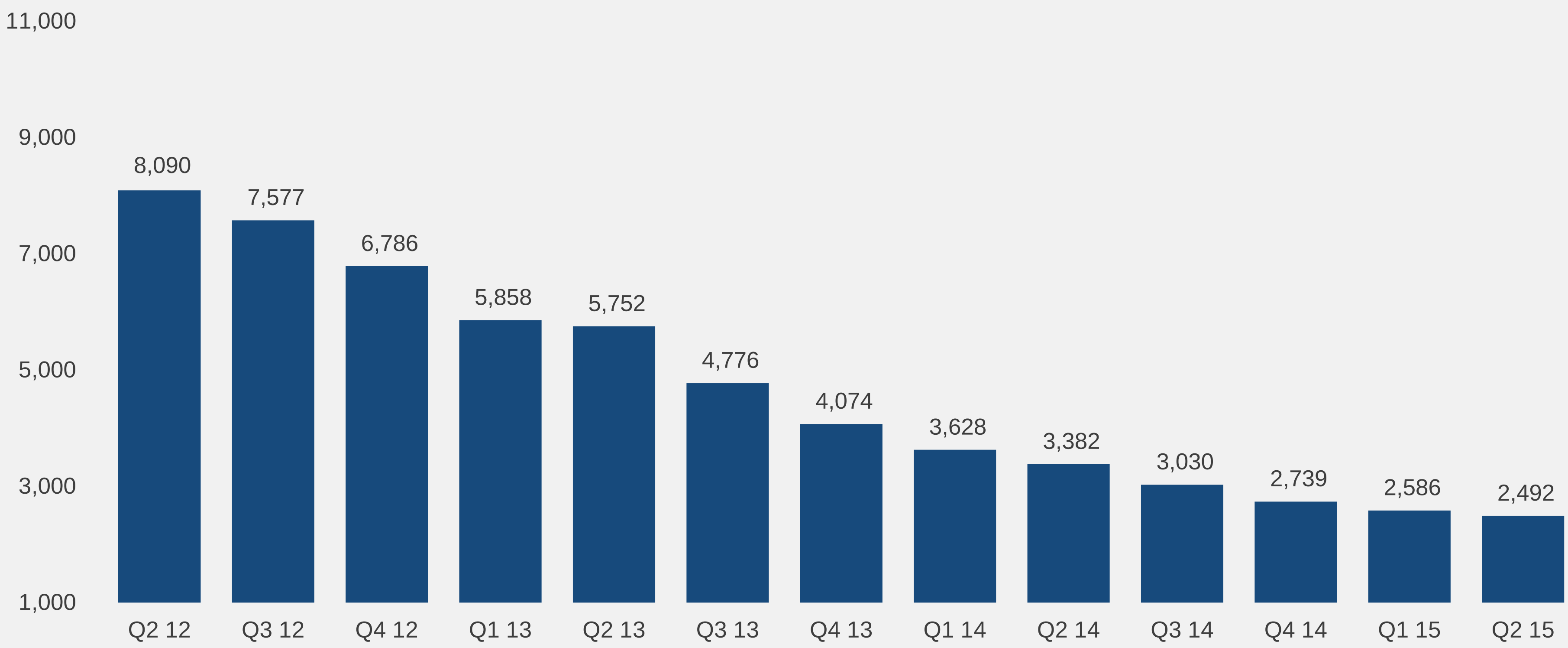
Primary Default Count by Vintages 2001 - 2015



- Second half of 2008 was a turning point in the company's book, with improved credit performance in that period and thereafter as a result of tightened credit guidelines.
- As of June 30, 2015, excludes 3,246 loans in default subject to the Freddie Mac Agreement.

Primary New Claims Submitted by Quarter

Number of Claims Submitted by Quarter(1)



(1) Excludes claims submitted on Freddie Mac Agreement loans beginning August 2013.

MORTGAGE AND REAL ESTATE SERVICES

RADIAN

What is Mortgage and Real Estate Services?

Clayton provides risk-based analytics, residential loan due diligence, consulting, surveillance and staffing solutions.
The company also provides:

- Customized REO asset management and single-family rental services through its **Green River Capital** subsidiary
- Advanced AVMs, BPOs and technology solutions to monitor loan portfolio performance, acquire and track NPLs, and value and sell residential real estate through its **Red Bell Real Estate** subsidiary
- Global reach through its **Clayton EuroRisk** subsidiary

Mortgage and Real Estate Services

Expanding Radian's Participation in Mortgage Value Chain

Origination

- Contract underwriting
- Quality control
- Outsourced underwriting, closing and processing support
- Counterparty reviews
- Property valuation reviews

Securitization

- RMBS securitization due diligence
- Credit and regulatory compliance reviews
- Independent collateral review
- Single family rental securitization review

Surveillance/ Monitoring

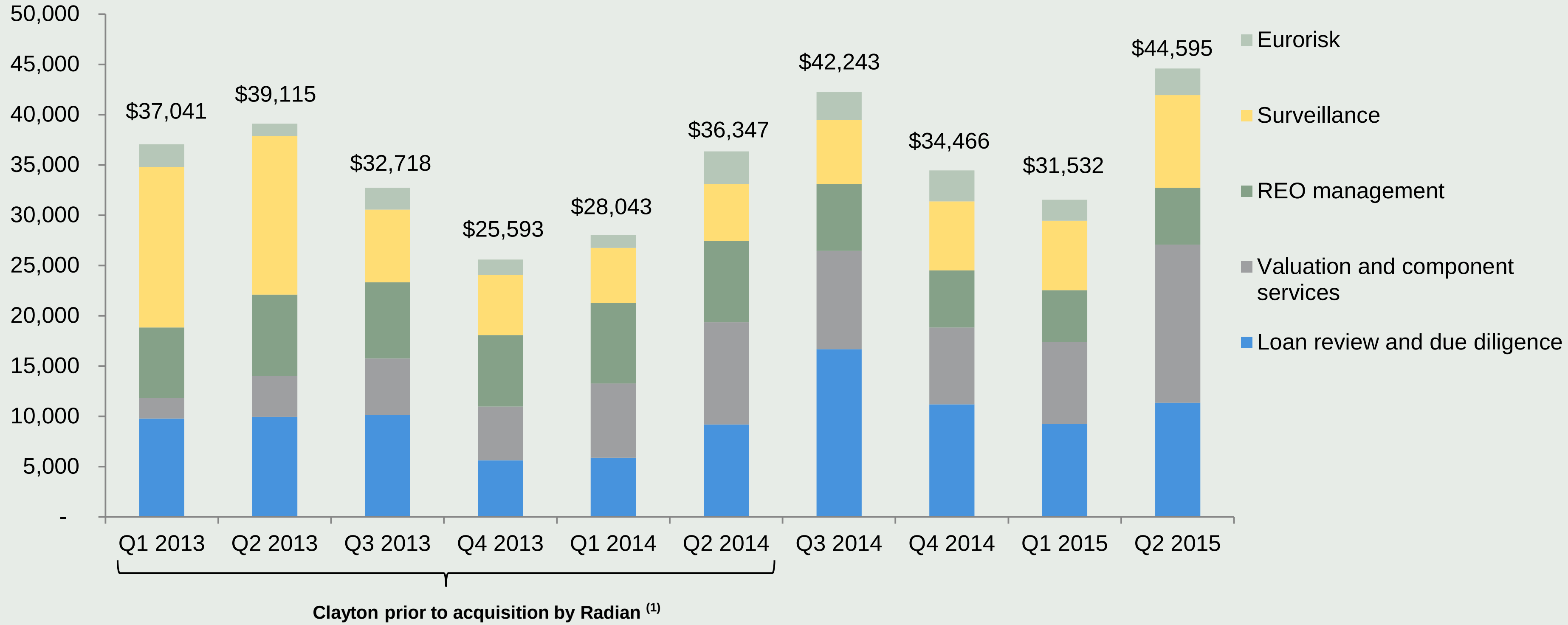
- Servicer and sub-servicer oversight
- RMBS servicer surveillance
- Servicer surveillance technology
- Default/foreclosure loan file review
- Single family rental surveillance

Asset Management/ Valuation

- REO asset management
- Single family rental management
- Asset management technology solutions
- Asset valuation technology and services

Mortgage and Real Estate Services Revenue

($ in thousands)



(1) Represents unaudited quarterly historical revenue for the businesses of Clayton Holdings LLC for periods prior to our acquisition on June 30, 2014.

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