



Radian Group Inc.

Antitrust Compliance Policy

Purpose

This Antitrust Compliance Policy, which is part of Radian’s Code of Conduct and Ethics (the “Code”), is established to create clear guidelines for compliance with the various federal and state antitrust laws, to advise you of your responsibilities concerning antitrust law compliance and to increase overall antitrust compliance awareness.

Scope

This Policy covers to all employees and officers of the Radian Group Inc., its subsidiaries and controlled affiliates (“Radian”, the “Company” or “We”), whether full-time, part-time, temporary or contract and all directors. (Any reference to “you” in this Policy includes all these individuals.)

Policy

Radian believes in an unrestricted and competitive economy and is committed to vigorous competition in the marketplace. We will treat our customers fairly and make our business decisions independently. Conduct or behavior aimed at limiting competition is inconsistent with this commitment and may violate state and federal antitrust statutes. This Policy requires full and complete compliance with all antitrust laws. The following sections outline the major aspects of the antitrust laws but cannot address the complexities of all of the antitrust regulations. You should refer any questions regarding the application of this Policy to the Legal Department.

Price Fixing

It is a criminal violation of the antitrust laws to enter into any agreement or understanding, no matter how informal, with a competitor concerning the price of a product or service. This prohibition applies to any agreement or understanding to increase, decrease or stabilize prices, agreements or understandings concerning any component of a price, and any agreements or understandings concerning the terms or conditions of a sale of a product. The simple exchange of price-related information between competitors, such as costs, profit margins, internal returns on equity, premium increases, and commission structures can be used to infer an agreement or understanding to fix prices. You are prohibited from entering into any agreements, understandings or discussions with competitors regarding the price of a product or service.

Agreements to Divide Markets/Customers

It is a criminal violation of the antitrust laws for competitors to agree to allocate markets, business opportunities, territories or customers among themselves. We cannot agree with a competitor to refuse to bid for particular types of business or



otherwise refrain from competing for certain customers or classes of customers. Such market allocation agreements or understandings are prosecuted vigorously by the federal government and other regulatory bodies under applicable law. Involvement in such activities exposes Radian to significant potential liability and may also expose individuals involved to serious personal liability. You are prohibited from entering into any agreements, understandings or discussions with our competitors concerning markets, customers and territories.

Group Boycotts/Refusals to Deal

Group boycotts, or concerted refusals to deal, may be illegal. Accordingly, while Radian has the right to select those companies and individuals with whom it will and will not conduct business, we cannot agree with any of our competitors, customers or others not to do business with another person or entity. You may not agree, or even participate in discussions, with a competitor, customer or supplier concerning the status of any of Radian's business relationships. For example, we can refuse to accept insurance applications from a particular broker; however, we cannot recommend or even discuss with a competitor that it do the same. Similarly, we can refuse to accept insurance applications from a broker or other mortgage originator on the basis of a history of poorly originated loans; however, we cannot advise other insurers or investors not to deal with such broker or originator, nor can we refuse to do business with an individual or entity at the request of another originator or broker.

Monopolization and Market Power

It is illegal for a company to control prices within a particular market or to exclude others from that market through that company's size and market power. Market power alone, however, is not illegal. An illegal monopoly is one that is obtained or maintained through an abuse of power. This Policy prohibits the use of competitive tactics that could be construed as being designed to exclude or eliminate competition in any market. Questions about the legality of any particular competitive tactic should be directed to the Legal Department.

Tying or Reciprocity

"Tying" and "Reciprocity" are the mirror images of each other. Tying is the refusal to sell one product or service unless the customer buys another product or service. Reciprocity is the refusal of a purchaser to buy a product or service unless the seller agrees to buy some other product from the purchaser. Such agreements may be illegal if they allow a company to use its power in one market to obtain an unfair advantage in another market. You should be sure to review any tying or reciprocal agreement in advance with the Legal Department because of potential antitrust concerns.



Other Agreements among Competitors

Not all cooperative activity between competitors violates the antitrust laws and some cooperative activity may increase or be consistent with competition. Such cooperative activity is permitted by the antitrust laws. For example, certain types of conduct such as participation in state-regulated or -sanctioned rating bureaus or risk pools or syndicate arrangements may be exempted from the antitrust laws because they fall under state regulation. Other types of cooperative conduct such as the establishment of non-price-related industry standards are not automatically illegal and are subject to a case-by-case review to determine whether they increase or decrease competition. Because of the risk that cooperative activity may be illegal, however, you must consult with the Legal Department prior to taking any steps to participate in a cooperative arrangement with our competitors.

Trade and Professional Associations

Trade associations and professional groups provide opportunities for valuable business, social and educational activities for their members. These activities are legal and permissible under the various antitrust statutes. However, because trade association meetings bring together competitors, they present opportunities for activities that may not be permissible. Permissible trade association participation may include working with customers and competitors on matters such as lobbying and legislative issues that affect the lending, housing and private mortgage insurance industry. Discussions relating to issues and information of a sensitive, competitive nature must be avoided. Any mention of premiums, costs, marketing strategies, customers, territories and any other issues with an impact on competition between Radian and other competitors is prohibited.

If, in connection with a trade or professional association meeting, any discussion begins that deals with competitively sensitive issues, representatives of Radian in attendance should attempt to stop the discussion immediately. If the discussion continues you and your Radian colleagues must leave the meeting immediately. Prior to leaving, an effort should be made to have an entry made into the formal minutes (if any) of the meeting detailing the reason that you and your Radian colleagues chose to leave. You should promptly prepare a detailed written report on the incident and forward it to the Legal Department.

Agreements Regarding Salary Levels or Hiring Practices

Radian may not agree with other employers to limit pay increases to a given amount or percentage. Nor may Radian agree with another employer to refrain from hiring each other's employees or in any other way not to compete with respect to hiring. Discussions or arrangements with other employers regarding salary levels or hiring practices, from which agreements concerning compensation and hiring practices might be inferred, are prohibited.

Collection of Competitive Information

Radian is entitled to collect information on premiums and other topics concerning the competitive



practices of our competitors. Such market information enables Radian to offer services and products in the marketplace that are competitively priced and better than those of the competition. However, an exchange of information between competitors may indicate the existence of an antitrust violation. Accordingly, you should not obtain policy forms, premium schedules or rate cards or any other competitive information (unless the information is publicly available) directly from a competitor. Similarly, you should not provide competitive information to a competitor. It is permissible to obtain competitive information from third parties such as customers, brokers, etc. It is also acceptable to obtain the information from public sources such as state rate and forms filings with insurance departments. Whenever you obtain a competitor's rates or policy forms or other competitive information, you should document the source of the information.

Consequences of Violations

Violations of this Policy may result in employment action up to and including termination of employment. Violations of the antitrust laws may result in serious consequences and may result in criminal penalties. A corporation may be fined up to \$100 million dollars if convicted. Individuals participating in the conduct may be fined up to one million dollars or imprisoned for up to ten years, or both. In addition, antitrust violations may result in costly private lawsuits and civil damages where the damages may be tripled.

Reporting and Investigation

The antitrust laws are complex and you must refer any antitrust concerns to the Legal Department for further analysis and handling. You may also report such concerns using the Radian "How to Get Help" procedures set forth in the Code and may call the Radian Compliance Hotline at 800-523-1988 x 1700. Radian's commitment to non-retaliation set forth in the Code applies to any report made under this Antitrust Compliance Policy.