

ARCH CREDIT RISK SERVICES



Arch Credit Risk Services provides clients the benefit of the full mortgage underwriting and analytical expertise of Arch Capital Group's Global Mortgage Group, which includes Arch Mortgage Insurance Company (Arch MI), the largest provider of mortgage insurance in the U.S.

At Arch, our focus is on providing risk management, risk financing and capital optimizing products to the housing sector worldwide. Arch MI, and the MI companies we have acquired, represent more than 50 years of MI industry participation.

We have decades of experience underwriting for different insurance and reinsurance lines and a worldwide organization staffed with industry veterans committed to thoughtful risk review and supported by advanced modeling and analytics.

As an innovative risk transfer agent and underwriter, Arch embraced the credit risk transfer (CRT) structures of the government-sponsored enterprises (GSEs) from their initiation. In 2013, Arch partnered with Freddie Mac to develop the first GSE CRT in the reinsurance market and has been the largest participant since.



ALIGNMENT OF INTERESTS

Market leading U.S. Mortgage Insurer and participant in GSE CRT programs.



SPEED OF PARTICIPATION

Accelerated access to this market by partnering with Arch.



PROPRIETARY CREDIT RISK MODELLING

Designed to effectively assess the uniqueness of GSE CRT risk transfer portfolios.



MACROECONOMIC SURVEILLANCE

Macroeconomic insights provided by Parker Ross and his staff.



ADVANCED DATA VISUALIZATION TOOLS

Developed to help clients organize, view and analyze mortgage data.

Macroeconomic Surveillance

The mortgage credit risk the GSEs are transferring to reinsurers and the capital markets is correlated to the overall U.S. economy and, more specifically, the housing and mortgage market.

Arch Capital Group employs a team of economists led by Parker Ross, to help understand and put into context the economy's impact on the housing market.

By tracking key market indicators and through the application of the proprietary Arch MI Risk Index®, which is a statistical model based on nine indicators of the health of local housing markets, Arch provides valuable insights that are critical for understanding the current opportunities and risks.

Some of these insights are published in a quarterly industry report, the Housing and Mortgage Market Review® (HaMMRSM). Historical HaMMR reports can be found at archmi.com/hammr.

Arch Credit Risk Services clients benefit from the insights provided by Parker Ross and his staff and receive additional services and reports that are not available to the public.



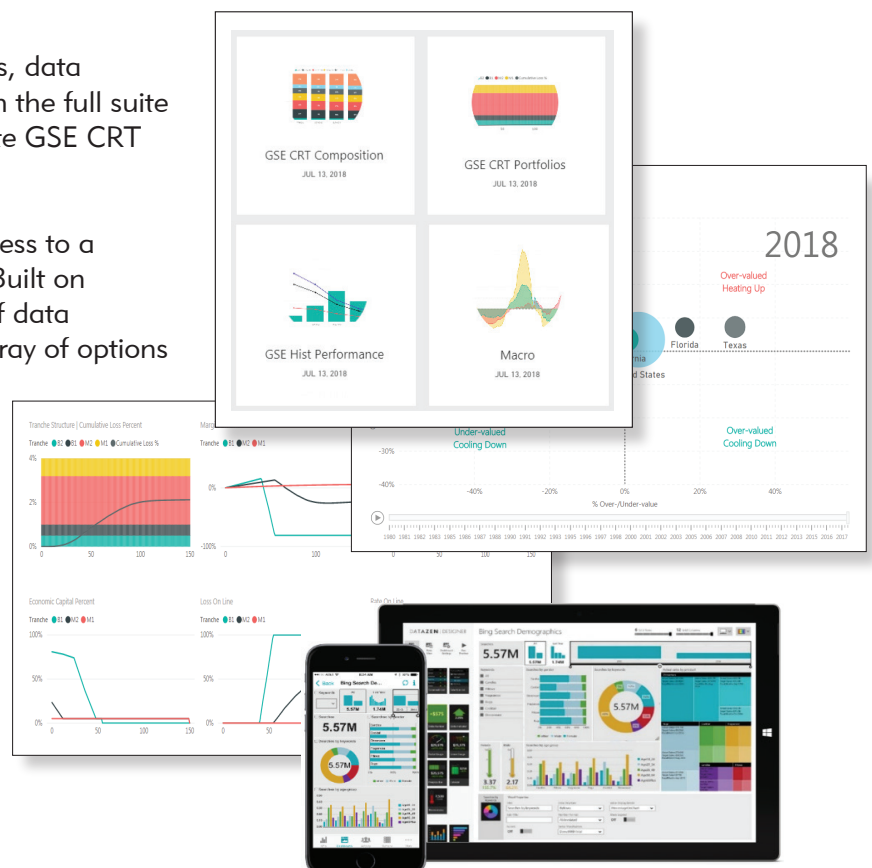
archmi.com/hammr

Analytics

Our dedicated team of credit risk modelers, data scientists and actuaries provide clients with the full suite of analytical services required to underwrite GSE CRT transactions.

A key benefit of Credit Risk Services is access to a powerful suite of data visualization tools. Built on Microsoft's Power BI platform, our team of data modelers and scientists provides a wide array of options for reviewing portfolio data. Additionally, clients can access the application to review and assess information that is of particular interest to them.

Our proprietary credit risk model, ARMOR, was developed specifically for assessing U.S. mortgage credit risk including collateral in the GSE CRT programs. We also provide clients with results from a benchmark model developed by an external vendor.



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