



## **ARCH MORTGAGE INSURANCE SATISFIES GSE FINANCIAL REQUIREMENTS**

**WALNUT CREEK, Calif. – April 20, 2015** – Arch Mortgage Insurance Company (“Arch MI”), a leading provider of private mortgage insurance and a wholly owned subsidiary of Arch Capital Group Ltd., announced today that if the financial requirements for private mortgage insurers published on Friday by the Federal Housing Finance Agency (“FHFA”) went into effect immediately, Arch MI would satisfy them.

The final Private Mortgage Insurer Eligibility Requirements (PMIERs) establish new standards that mortgage insurers are required to meet to insure loans sold to or guaranteed by Fannie Mae and Freddie Mac. Based upon our interpretation of the PMIERs and Arch MI’s current portfolio and balance sheet, Arch MI’s “available assets” exceed the “minimum required assets” specified within the final requirements.

“We are pleased that FHFA has finalized the PMIERs and believe that setting this standard for the private mortgage insurance industry provides confidence in the value of mortgage insurance,” said David Gansberg, President and Chief Executive Officer of Arch MI. “Arch MI was in compliance with the draft PMIER financial requirements and we are proud to be fully compliant now with the financial requirements in their final form. This affirms our financial strength as an insurance counterparty. We are strongly positioned to continue to meet the needs of our customers.”

The PMIERs become effective December 31, 2015 and mortgage insurers have a longer period in which to fully comply with the PMIERs’ financial requirements. Arch MI’s “minimum required assets” under the PMIERs at future points in time will be affected by many factors, including macro-economic conditions, the size and composition of Arch MI’s mortgage insurance portfolio at the applicable time, and the amount of ceded risk that may be deducted by Arch MI in its calculation of “minimum required assets.”

### **ABOUT ARCH MI**

Arch Capital Group Ltd.’s U.S. mortgage insurance operation, Arch MI, is a leading provider of private insurance covering mortgage credit risk. Headquartered in Walnut Creek, CA, Arch MI’s mission is to protect lenders against credit risk, while extending the possibility of responsible homeownership to qualified borrowers. Arch MI’s flagship mortgage insurer, Arch Mortgage Insurance Company, is licensed to write mortgage insurance in all 50 states, the District of Columbia and Puerto Rico. For more information, please visit [www.archmi.com](http://www.archmi.com)

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This release or any other written or oral statements made by or on behalf of Arch MI, Arch Capital Group Ltd. or its subsidiaries may include forward-looking statements, which reflect our current views with respect to future events and financial performance. All statements other than statements of historical fact included in or incorporated by reference in this release are forward-looking statements.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or their negative or variations or similar terminology. Forward-looking statements involve our current assessment of risks and uncertainties. Actual events and results may differ materially from those expressed or implied in these statements. A non-exclusive list of the important factors that could cause actual results to differ materially from those in such forward-looking statements includes the following: adverse general economic and market conditions; increased competition; pricing and policy term trends; fluctuations in the actions of rating agencies and our ability to maintain and improve our ratings; investment performance; the loss of key personnel; the adequacy of our loss reserves, severity and/or frequency of losses, greater than expected loss ratios and adverse development on claim and/or claim expense liabilities; greater frequency or severity of unpredictable natural and man-made catastrophic events; the impact of acts of terrorism and acts of war; changes in regulations and/or tax laws in the United States or elsewhere; our ability to successfully integrate, establish and maintain operating procedures as well as integrate the businesses we have acquired or may acquire into the existing operations; changes in accounting principles or policies; material differences between actual and expected assessments for guaranty funds and mandatory pooling arrangements; availability and cost to us of reinsurance to manage our gross and net exposures; the failure of others to meet their obligations to us; and other factors identified in our filings with the U.S. Securities and Exchange Commission.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Source: Arch Mortgage Insurance Company

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