

Radian eBulletin 2008-01

January 30, 2008

Additional Information and Clarification on Declining Markets

A list of the geographic markets subject to Radian's declining markets reduction of maximum LTV is now available on Radian's website at www.radian.biz/pdf/Radian_Declining_MSAs.pdf. The list provides the Metropolitan Statistical Area (MSA) title, state, county or equivalent entity, and corresponding zip code for each market and will be updated on our website quarterly.

As described in eBulletin 2007-03 dated December 17, 2007, the *maximum eligible* LTV is reduced by 5% in declining markets for all products. Radian defines a declining market as one for which any of the following conditions are met:

- An AUS reports the market as declining.
- The appraisal indicates declining property values.
- If a quarter-over-quarter decline in the Office of Federal Housing Enterprise Oversight (OFHEO) *MSA-level house price* index occurs in the MSA for the property.*

**Please note that to identify a declining market, Radian calculates the percentage change in the house price index of the currently reported quarter over the previous quarter and rounds the result to one significant digit; if the result is negative that market is declining. Radian has elected to round to one significant digit since OFHEO issues their press releases with figures calculated to one significant digit and this information is more readily available.*

For more information on Radian's products and services, please contact Radian Customer Service at 877 723.4261 or customerservice300@radian.biz, your Radian Sales Representative or Risk Manager, or visit our website at www.radian.biz. An online archive of Radian eBulletins is available at www.radian.biz/mortgage/ebulletins.aspx.