

## Underwriting Approach: Secondary Market

<b>Introduction</b>	The secondary market business complements Radian’s new issue public finance platform. Radian provides traders and investors an opportunity to obtain enhancement on uninsured, investment grade quality bonds currently trading in the market.
<b>Target Market</b>	Radian strives to insure investment-grade issues in sectors such as general obligation bonds, water & sewer revenue bonds and tax-supported obligations. However, we also pursue opportunities in higher education, public power, healthcare and senior living on a select basis. Credits such as multi-family housing and industrial and economic development bonds are not considered.
<b>Transaction Size</b>	Once a credit is on our pre-approved list, Radian will consider any trade that is \$500,000 or greater in par. However, to proceed with a new credit which has not been reviewed or approved, the specific trade opportunity must be greater than \$1 million in par and the potential must exist for future trades of at least \$2 million in aggregate par. Higher limits may apply to certain revenue bond transactions such as higher education or healthcare.
<b>Timing</b>	For a credit currently on the pre-approved list, Radian will provide a firm quote at the time of inquiry as soon as a Cusip match is confirmed. For a new credit, Radian will provide an indicative quote or range within one business day of the inquiry. A formal review process will then generally require a few business days to complete, assuming relevant documentation is available. Some credits can take longer to conduct a full review. If approved, a firm quote will be provided immediately following our underwriting process.
<b>Key Credit Factors</b>	<ul style="list-style-type: none"><li>• Underwriting standards mirror those of our new issue primary market business line. For more information on a particular sector, please view that sector’s specific guidelines.</li><li>• Credits will be investment grade quality, which will be evident by the appropriate ratings from one of the public rating agencies or deemed of that quality by Radian.</li><li>• Special consideration will be given to credits that:<ul style="list-style-type: none"><li>– Have previously been approved for primary market insurance by Radian but went to market as uninsured.</li><li>– Have parity debt outstanding that is currently insured by Radian or a AAA bond insurer.</li></ul></li></ul>
<b>Documentation Requirements</b>	Official Statement and three years of audited financial statements. Certain sectors may require data on market share and competitive environment.
<b>Key Contacts</b>	Jason Falzon, VP, Secondary Markets • 212 984.3309 • <a href="mailto:jason.falzon@radian.biz">jason.falzon@radian.biz</a> John DeLuca, SVP, Director of Marketing • 212 984.9222 • <a href="mailto:john.deluca@radian.biz">john.deluca@radian.biz</a> or, Secondary Market Direct Line • 212 984.9141 • <a href="mailto:secondary.market@radian.biz">secondary.market@radian.biz</a>