UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-11356

---

radian

Radian Group Inc.

(Exact name of registrant as specified in its charter)

Delaware	**23-2691170**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

550 East Swedesford Road, Suite 350, Wayne, PA 19087
(Address of principal executive offices) (Zip Code)

(215) 231-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	**RDN**	**New York Stock Exchange**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 148,932,566 shares of common stock, $0.001 par value per share, outstanding on November 5, 2024.

Table of Contents

		Page
Glossary of Abbreviations and Acronyms for Selected References		3
Cautionary Note Regarding Forward-Looking Statements—Safe Harbor Provisions		8
PART I—FINANCIAL INFORMATION		
Item 1	Financial Statements (Unaudited)	10
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	47
Item 3	Quantitative and Qualitative Disclosures About Market Risk	70
Item 4	Controls and Procedures	71
PART II—OTHER INFORMATION		
Item 1	Legal Proceedings	72
Item 1A	Risk Factors	72
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	72
Item 5	Other Information	73
Item 6	Exhibits	74
Signatures		75

Glossary of Abbreviations and Acronyms for Selected References

The following list defines various abbreviations and acronyms used throughout this report, including the Condensed Consolidated Financial Statements, the Notes to Unaudited Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

A number of cross-references to additional information included throughout this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K") are also utilized throughout this report, to assist readers seeking additional information related to a particular subject.

Term	Definition
2012 QSR Agreements	Collectively, the quota share reinsurance agreements entered into with a third-party reinsurance provider in the second and fourth quarters of 2012 to cede on a combined basis a portion of NIW originated between the fourth quarter of 2011 and the fourth quarter of 2014
2016 Single Premium QSR Agreement	Quota share reinsurance agreement entered into with a panel of third-party reinsurance providers in the first quarter of 2016 and subsequently amended in the fourth quarter of 2017 to cede a portion of Single Premium NIW originated between January 1, 2012, and December 31, 2017
2018 Single Premium QSR Agreement	Quota share reinsurance agreement entered into with a panel of third-party reinsurance providers in October 2017 to cede a portion of Single Premium NIW originated between January 1, 2018, and December 31, 2019
2020 Single Premium QSR Agreement	Quota share reinsurance agreement entered into with a panel of third-party reinsurance providers in January 2020 to cede a portion of Single Premium NIW originated between January 1, 2020, and December 31, 2021
2022 QSR Agreement	Quota share reinsurance arrangement entered into with a panel of third-party reinsurance providers to cede, starting July 1, 2022, a portion of NIW, which includes both Recurring Premium Policies and Single Premium Policies, originated between January 1, 2022, and June 30, 2023
2023 QSR Agreement	Quota share reinsurance arrangement entered into with a panel of third-party reinsurance providers to cede, starting July 1, 2023, a portion of NIW, which includes both Recurring Premium Policies and Single Premium Policies, originated between July 1, 2023, and June 30, 2024
2023 XOL Agreement	Excess-of-loss reinsurance arrangement entered into with a panel of third-party reinsurance providers to provide reinsurance on a portion of NIW, which includes both Recurring Premium Policies and Single Premium Policies, originated between October 1, 2021, and March 31, 2022
2024 QSR Agreement	Quota share reinsurance arrangement entered into with a panel of third-party reinsurance providers to cede, starting July 1, 2024, a portion of NIW, which includes both Recurring Premium Policies and Single Premium Policies, originated between July 1, 2024, and June 30, 2025
ABS	Asset-backed securities
All Other	Radian's non-reportable operating segments and other business activities, which include: (i) income (losses) from assets held by Radian Group; (ii) related general corporate operating expenses not attributable or allocated to our reportable segment; and (iii) the operating results from certain other immaterial activities and operating segments, including our Mortgage Conduit, Title, Real Estate Services and Real Estate Technology businesses
ASU	Accounting Standards Update, issued by the FASB to communicate changes to GAAP
Available Assets	As defined in the PMIERs, assets primarily including the most liquid assets of a mortgage insurer, and reduced by, among other items, premiums received but not yet earned and reinsurance funds withheld
BMO Master Repurchase Agreement	Uncommitted Master Repurchase Agreement, dated September 28, 2022, and as amended to date, between Bank of Montreal, a Canadian Chartered bank acting through its Chicago Branch, and Radian Mortgage Capital LLC to finance Radian Mortgage Capital's acquisition of mortgage loans and related mortgage loan assets. The termination date of the BMO Master Repurchase Agreement is currently September 24, 2025.
Claim Denial	Our legal right, under certain conditions, to deny a claim

Term	Definition
Claim Severity	The total claim amount paid divided by the original coverage amount
CLO	Collateralized loan obligations
CMBS	Commercial mortgage-backed securities
COVID-19 Amendment	Amendment to the PMIERs effective June 30, 2020, primarily to recognize the COVID-19 pandemic as a nationwide "FEMA Declared Major Disaster" and to set forth guidelines on the application of the Disaster Related Capital Charge to COVID-19 Defaulted Loans
COVID-19 Defaulted Loans	All non-performing loans that either: (i) have an Initial Missed Payment occurring during the COVID-19 Crisis Period (which began on March 1, 2020, and expired as of March 31, 2021) or (ii) are subject to a forbearance plan granted in response to a financial hardship related to COVID-19 (which is assumed under the COVID-19 Amendment to be the case for any loan that has an Initial Missed Payment occurring during the COVID-19 Crisis Period and is subject to a forbearance plan), the terms of which are materially consistent with the terms of forbearance plans offered by the GSEs
Cures	Loans that were in default as of the beginning of a period and are no longer in default primarily because payments were received such that the loan is no longer 60 or more days past due
Default to Claim Rate	The percentage of defaulted loans that are assumed to result in a claim submission
Disaster Related Capital Charge	Under the PMIERs, multiplier of 0.30 applied to the required asset amount factor for each non-performing loan: (i) backed by a property located in a FEMA Designated Area and (ii) either subject to a certain forbearance plan or with an initial default date occurring within a certain timeframe
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended
Eagle Re Issuer(s)	A group of unaffiliated special purpose insurers (VIEs) domiciled in Bermuda, comprising a series of Eagle Re entities related to reinsurance coverage issued starting in 2018
Exchange Act	Securities Exchange Act of 1934, as amended
Fannie Mae	Federal National Mortgage Association
FASB	Financial Accounting Standards Board
FEMA Designated Area	Generally, an area that has been subject to a disaster and designated by FEMA as an individual assistance disaster area for the purpose of determining eligibility for various forms of federal assistance
FHLB	Federal Home Loan Bank of Pittsburgh
FICO	Fair Isaac Corporation ("FICO") credit scores, for Radian's portfolio statistics, represent the borrower's credit score at origination and, in circumstances where there are multiple borrowers, the lowest of the borrowers' FICO scores is utilized
Foreclosure Stage Defaulted Loans	Loans in the stage of default in which a foreclosure sale has been scheduled or held
Freddie Mac	Federal Home Loan Mortgage Corporation
GAAP	Generally accepted accounting principles in the U.S., as amended from time to time
Goldman Sachs Master Repurchase Agreement	Uncommitted Master Repurchase Agreement, effective July 15, 2022, and as amended to date, among Goldman Sachs Bank USA, a national banking institution, Radian Liberty Funding LLC, a Delaware limited liability company, and Radian Mortgage Capital to finance the acquisition of mortgage loans and related mortgage loan assets. The termination date of the Goldman Sachs Master Repurchase Agreement is currently May 31, 2025.
GSE(s)	Government-Sponsored Enterprises (Fannie Mae and Freddie Mac)
IBNR	Losses incurred but not reported
IIF	Insurance in force, equal to the aggregate unpaid principal balances of the underlying loans

Term	Definition
Initial Missed Payment	The first missed monthly payment, which would be reported to us as delinquent as of the last day of the month for which it was due. (For example, for a loan first reported to the approved insurer in May as having missed its payments due on April 1 and May 1, the Initial Missed Payment shall be deemed to have occurred on April 30.)
JP Morgan Master Repurchase Agreement	Uncommitted Master Repurchase Agreement, effective January 29, 2024, assigned by Flagstar Bank N.A. to JPMorgan Chase Bank, National Association, as administrative agent, to finance the acquisition of mortgage loans and related mortgage loan assets. The termination date of the JP Morgan Master Repurchase Agreement is January 27, 2025.
LAE	Loss adjustment expenses, which include the cost of investigating and adjusting losses and paying claims
LTV	Loan-to-value ratio, calculated as the ratio of the original loan amount to the original value of the property, expressed as a percentage
Master Repurchase Agreements	The Goldman Sachs Master Repurchase Agreement, the BMO Master Repurchase Agreement, and JP Morgan Master Repurchase Agreement, collectively
Minimum Required Asset(s)	A risk-based minimum required asset amount, as defined in the PMIERs, calculated based on net RIF (RIF, net of credits permitted for reinsurance) and a variety of measures related to expected credit performance and other factors
Monthly and Other Recurring Premiums (or Recurring Premium Policies)	Insurance premiums or policies, respectively, where premiums are paid on a monthly or other installment basis, in contrast to Single Premium Policies
Monthly Premium Policies	Insurance policies where premiums are paid on a monthly installment basis
Mortgage Conduit	Radian's mortgage conduit business, operated primarily through Radian Mortgage Capital, which purchases eligible mortgage loans on the secondary market from residential mortgage lenders with the intent to either sell directly to mortgage investors or distribute into the capital markets through private label securitizations, with the option to hold servicing rights for the loans sold
Mortgage Insurance	Radian's mortgage insurance business segment, operated primarily through Radian Guaranty, which provides credit-related insurance coverage for the benefit of mortgage lending institutions and mortgage credit investors, principally through private mortgage insurance on residential first-lien mortgage loans, and also offers other credit risk management solutions to our customers
MPP Requirement	Certain states' statutory or regulatory risk-based capital requirement that the mortgage insurer must maintain a minimum policyholder position, which is calculated based on both risk and surplus levels
NIW	New insurance written, representing the aggregate original principal amount of the mortgages underlying the Primary Mortgage Insurance
Parent Guarantees	Three separate parent guaranty agreements, entered into by Radian Group in connection with its mortgage conduit business, to guaranty the obligations of certain of its subsidiaries in connection with the Master Repurchase Agreements
Persistency Rate	The percentage of IIF that remains in force over a period of time
PMIERs	Private Mortgage Insurer Eligibility Requirements issued by the GSEs under oversight of the Federal Housing Finance Agency and updated by them from time to time to set forth requirements an approved insurer must meet and maintain to provide mortgage guaranty insurance on loans acquired by the GSEs
PMIERs Cushion	Under PMIERs, Radian Guaranty's excess of Available Assets over Minimum Required Assets

Term	Definition
Pool Mortgage Insurance	Insurance that provides a lender or investor protection against default on a group or "pool" of mortgages, rather than on an individual mortgage loan basis, generally subject to an aggregate exposure limit, or "stop loss" (usually between 1% and 10%), and/or deductible applied to the initial aggregate loan balance of the entire pool, pursuant to the terms of the applicable insurance agreement
Primary Mortgage Insurance	Insurance that provides a lender or investor protection against default on an individual mortgage loan basis, at a specified coverage percentage for each loan, pursuant to the terms of the applicable master policy, which are updated periodically and filed in each of the jurisdictions in which we conduct business
QSR Program	The Single Premium QSR Program, the 2012 QSR Agreements, the 2022 QSR Agreement, the 2023 QSR Agreement and the 2024 QSR Agreement, collectively
Radian	Radian Group Inc. together with its consolidated subsidiaries
Radian Group	Radian Group Inc., our insurance holding company
Radian Guaranty	Radian Guaranty Inc., a Pennsylvania domiciled insurance subsidiary of Radian Group and our approved insurer under the PMIERs, through which we provide mortgage insurance products and services
Radian Mortgage Capital	Radian Mortgage Capital LLC, a Delaware limited liability company and an indirect subsidiary of Radian Group, through which we acquire and sell residential mortgage loans
Radian Title Insurance	Radian Title Insurance Inc., an Ohio domiciled insurance company and an indirect subsidiary of Radian Group, through which we offer title insurance and settlement services
RBC States	Risk-based capital states, which are those states that currently impose a statutory or regulatory risk-based capital requirement
Real Estate Services	Radian's real estate services business, operated primarily through Radian Real Estate Management LLC, which provides residential real estate management, valuation and due diligence services to single family rental investors, the GSEs and mortgage lenders, servicers and investors
Real Estate Technology	Radian's real estate technology services business, operated primarily through homegenius Real Estate LLC, which is an early-stage digital real estate business providing data, analytics and technology to institutions and consumers
Rescission	Our legal right, under certain conditions, to unilaterally rescind coverage on our mortgage insurance policies if we determine that a loan did not qualify for insurance
RIF	Risk in force; for Primary Mortgage Insurance, RIF is equal to the underlying loan unpaid principal balance multiplied by the insurance coverage percentage, whereas for Pool Mortgage Insurance, it represents the remaining exposure under the agreements
Risk-to-capital	Under certain state regulations, a maximum ratio of net RIF calculated relative to the level of statutory capital
RMBS	Residential mortgage-backed securities
RSU	Restricted stock unit
SAP	Statutory accounting principles and practices, including those required or permitted, if applicable, by the insurance departments of the respective states of domicile of our insurance subsidiaries
SEC	United States Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Senior Notes due 2024	Our 4.500% unsecured senior notes due October 2024 ($450 million original principal amount)
Senior Notes due 2025	Our 6.625% unsecured senior notes due March 2025 ($525 million original principal amount, of which the outstanding principal amount was redeemed in March 2024)
Senior Notes due 2027	Our 4.875% unsecured senior notes due March 2027 ($450 million original principal amount)
Senior Notes due 2029	Our 6.200% unsecured senior notes due May 2029 ($625 million original principal amount)

Term	Definition
Single Premium NIW	NIW on Single Premium Policies
Single Premium Policy / Policies	Insurance policies where premiums are paid in a single payment, which includes policies written on an individual basis (as each loan is originated) and on an aggregated basis (in which each individual loan in a group of loans is insured in a single transaction, typically shortly after the loans have been originated)
Single Premium QSR Program	The 2016 Single Premium QSR Agreement, the 2018 Single Premium QSR Agreement and the 2020 Single Premium QSR Agreement, collectively
SOFR	Secured Overnight Financing Rate
Statutory RBC Requirement	Risk-based capital requirement imposed by the RBC States, requiring a minimum surplus level and, in certain states, a minimum ratio of statutory capital relative to the level of risk
Title	Radian's title insurance and settlement services business, operated primarily through Radian Title Insurance and Radian Settlement Services Inc., which serve as a national title insurance underwriter and agency delivering closing and settlement services for purchase, refinance, home equity and default real estate transactions to mortgage lenders and investors, real estate agents, the GSEs and consumers
VIE	Variable interest entity
XOL Program	The credit risk protection obtained by Radian Guaranty in the form of excess-of-loss reinsurance, which indemnifies the ceding company against loss in excess of a specific agreed level, up to a specified limit. The program includes reinsurance agreements with the Eagle Re Issuers in connection with various issuances of mortgage insurance-linked notes, as well as more traditional XOL reinsurance agreements with third-party reinsurers.

Cautionary Note Regarding Forward-Looking Statements —Safe Harbor Provisions

All statements in this report that address events, developments or results that we expect or anticipate may occur in the future are "forward-looking statements" within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. In most cases, forward-looking statements may be identified by words such as "anticipate," "may," "will," "could," "should," "would," "expect," "intend," "plan," "goal," "contemplate," "believe," "estimate," "predict," "project," "potential," "continue," "seek," "strategy," "future," "likely" or the negative or other variations on these words and other similar expressions. These statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management's current views and assumptions with respect to future events. These statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment where new risks emerge from time to time and it is not possible for us to predict all risks that may affect us. The forward-looking statements are not guarantees of future performance, and the forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. These risks and uncertainties include, without limitation:

- the health of the U.S. housing market generally and changes in economic conditions that impact the size of the insurable mortgage market, the credit performance of our insured mortgage portfolio, the returns on our investments in residential mortgage loans acquired through our Mortgage Conduit business and other investments held in our investment portfolio, as well as our business prospects, including: changes resulting from inflationary pressures, the interest rate environment and the risk of higher unemployment rates; other macroeconomic stresses and uncertainties, including potential impacts resulting from political and geopolitical events, civil disturbances and endemics/pandemics or extreme weather events and other natural disasters that may adversely affect regional economic conditions and housing markets;
- changes in the way customers, investors, ratings agencies, regulators or legislators perceive our performance, financial strength and future prospects;
- Radian Guaranty's ability to remain eligible under the PMIERs to insure loans purchased by the GSEs;
- our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy current and future regulatory requirements;
- changes in the charters or business practices of, or rules or regulations imposed by or applicable to, the GSEs or loans purchased by the GSEs, or changes in the requirements for Radian Guaranty to remain an approved insurer to the GSEs, such as changes in the PMIERs or the GSEs' interpretation and application of the PMIERs or other applicable requirements;
- the effects of the Enterprise Regulatory Capital Framework, finalized in February 2022, which establishes a new regulatory capital framework for the GSEs, and which, as finalized, increases the capital requirements for the GSEs, and among other things, could impact the GSEs' operations and pricing as well as the size of the insurable mortgage market;
- changes in the current housing finance system in the United States, including the roles of the Federal Housing Administration (the "FHA"), U.S. Department of Veterans Affairs ("VA"), the GSEs and private mortgage insurers in this system;
- our ability to successfully execute and implement our capital plans, including our risk distribution strategy through the capital markets and traditional reinsurance markets, and to maintain sufficient holding company liquidity to meet our liquidity needs;
- our ability to successfully execute and implement our business plans and strategies, including plans and strategies that may require GSE and/or regulatory approvals and licenses, that are subject to complex compliance requirements that we may be unable to satisfy, or that may expose us to new risks, including those that could impact our capital and liquidity positions;
- risks related to the quality of third-party mortgage underwriting and mortgage loan servicing;
- a decrease in the Persistency Rates of our mortgage insurance on Monthly Premium Policies;

- competition in the private mortgage insurance industry generally, and more specifically: price competition in our mortgage insurance business and competition from the FHA and the VA as well as from other forms of credit enhancement, such as any potential GSE-sponsored alternatives to traditional mortgage insurance;
- U.S. political conditions, which may be more volatile and present a heightened risk in Presidential election years, and legislative and regulatory activity (or inactivity), including adoption of (or failure to adopt) new laws and regulations, or changes in existing laws and regulations, or the way they are interpreted or applied;
- legal and regulatory claims, assertions, actions, reviews, audits, inquiries and investigations that could result in adverse judgments, settlements, fines, injunctions, restitutions or other relief that could require significant expenditures, new or increased reserves or have other effects on our business;
- the amount and timing of potential payments or adjustments associated with federal or other tax examinations;
- the possibility that we may fail to estimate accurately, especially in the event of an extended economic downturn or a period of extreme market volatility and economic uncertainty, the likelihood, magnitude and timing of losses in establishing loss reserves for our mortgage insurance business or to accurately calculate and/or project our Available Assets and Minimum Required Assets under the PMIERs, which could be impacted by, among other things, the size and mix of our IIF, future changes to the PMIERs, the level of defaults in our portfolio, the reported status of defaults in our portfolio (including whether they are subject to mortgage forbearance, a repayment plan or a loan modification trial period), the level of cash flow generated by our insurance operations and our risk distribution strategies;
- volatility in our financial results caused by changes in the fair value of our assets and liabilities carried at fair value;
- changes in GAAP or SAP rules and guidance, or their interpretation;
- risks associated with investments to grow our existing businesses, or to pursue new lines of business or new products and services, including our ability and related costs to develop, launch and implement new and innovative technologies and digital products and services, whether these products and services receive broad customer acceptance or disrupt existing customer relationships, and additional financial risks related to these investments, including required changes in our investment, financing and hedging strategies, risks associated with our increased use of financial leverage, which could expose us to liquidity risks resulting from changes in the fair values of assets, and the risk that we may fail to achieve forecasted results, which could result in lower or negative earnings contribution;
- the effectiveness and security of our information technology systems and digital products and services, including the risk that these systems, products or services fail to operate as expected or planned or expose us to cybersecurity or third-party risks, including due to malware, unauthorized access, cyberattack, ransomware or other similar events;
- our ability to attract and retain key employees;
- the amount of dividends, if any, that our insurance subsidiaries may distribute to us, which under applicable regulatory requirements is based primarily on the financial performance of our insurance subsidiaries, and therefore, may be impacted by general economic, competitive and other factors, many of which are beyond our control; and
- the ability of our operating subsidiaries to distribute amounts to us under our internal tax- and expense-sharing arrangements, which for our insurance subsidiaries are subject to regulatory review and could be terminated at the discretion of such regulators.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to “Item 1A. Risk Factors” in this report and “Item 1A. Risk Factors” in our 2023 Form 10-K, and to subsequent reports and registration statements filed from time to time with the SEC. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

INDEX TO ITEM 1. FINANCIAL STATEMENTS **Page**

Quarterly Financial Statements

Condensed Consolidated Balance Sheets (Unaudited) 11
Condensed Consolidated Statements of Operations (Unaudited) 12
Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) 13
Condensed Consolidated Statements of Changes in Common Stockholders' Equity (Unaudited) 14
Condensed Consolidated Statements of Cash Flows (Unaudited) 15

Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 - Description of Business 17
Note 2 - Significant Accounting Policies 17
Note 3 - Net Income Per Share 19
Note 4 - Segment Reporting 19
Note 5 - Fair Value of Financial Instruments 21
Note 6 - Investments 26
Note 7 - Residential Mortgage Loans 30
Note 8 - Reinsurance 34
Note 9 - Other Assets 38
Note 10 - Income Taxes 38
Note 11 - Losses and LAE 38
Note 12 - Borrowings and Financing Activities 40
Note 13 - Commitments and Contingencies 42
Note 14 - Capital Stock 43
Note 15 - Accumulated Other Comprehensive Income (Loss) 45
Note 16 - Statutory Information 45

Radian Group Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except per-share amounts)	September 30, 2024	December 31, 2023
Assets		
Investments (Notes 5 and 6)		
Fixed-maturities available for sale—at fair value (amortized cost of $5,583,574 and $5,599,111)	$ 5,292,480	$ 5,188,228
Trading securities—at fair value (amortized cost of $91,976 and $110,484)	89,272	106,423
Equity securities—at fair value (cost of $151,307 and $92,124)	145,717	89,057
Residential mortgage loans held for sale—at fair value (Note 7)	529,517	32,755
Other invested assets—at fair value	7,809	8,625
Short-term investments—at fair value (includes $116,905 and $149,364 of reinvested cash collateral held under securities lending agreements)	432,385	660,566
Total investments	6,497,180	6,085,654
Cash	28,061	18,999
Restricted cash	2,014	1,066
Accrued investment income	49,707	45,783
Accounts and notes receivable	138,439	123,857
Reinsurance recoverables (includes $369 and $59 for paid losses)	34,015	25,909
Deferred policy acquisition costs	18,430	18,718
Property and equipment, net	41,892	63,822
Prepaid federal income taxes (Note 10)	870,336	750,320
Other assets (Note 9)	384,666	459,805
Consolidated VIE assets (Note 7)		
Securitized residential mortgage loans held for investment—at fair value	353,078	—
Other VIE assets	1,953	—
Total assets	$ 8,419,771	$ 7,593,933
Liabilities and stockholders' equity		
Liabilities		
Unearned premiums	$ 198,007	$ 225,396
Reserve for losses and LAE (Note 11)	363,225	370,148
Senior notes (Note 12)	1,064,718	1,417,781
Secured borrowings (Note 12)	551,916	119,476
Reinsurance funds withheld	138,810	130,564
Net deferred tax liability	737,605	589,564
Other liabilities	318,345	343,199
Consolidated VIE liabilities (Note 7)		
Securitized nonrecourse debt—at fair value	344,904	—
Other VIE liabilities	3,388	—
Total liabilities	3,720,918	3,196,128
Commitments and contingencies (Note 13)		
Stockholders' equity		
Common stock ($0.001 par value; 485,000 shares authorized; 2024: 170,541 and 149,776 shares issued and outstanding, respectively; 2023: 173,247 and 153,179 shares issued and outstanding, respectively)	171	173
Treasury stock, at cost (2024: 20,766 shares; 2023: 20,068 shares)	(967,717)	(945,870)
Additional paid-in capital	1,315,046	1,430,594
Retained earnings	4,584,453	4,243,759
Accumulated other comprehensive income (loss) (Note 15)	(233,100)	(330,851)
Total stockholders' equity	4,698,853	4,397,805
Total liabilities and stockholders' equity	$ 8,419,771	$ 7,593,933

See Notes to Unaudited Condensed Consolidated Financial Statements.

Radian Group Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)

(In thousands, except per-share amounts)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Revenues				
Net premiums earned (Note 8)	$ 239,133	$ 240,262	$ 712,721	$ 686,929
Services revenue (Note 4)	12,167	10,892	38,020	33,673
Net investment income (Note 6)	78,396	67,805	221,383	189,606
Net gains (losses) on investments and other financial instruments (includes net realized gains (losses) on investments of $2,409, $(2,775), $(4,292) and $(11,636)) (Note 6)	2,174	(8,555)	(1,823)	(3,206)
Income (loss) on consolidated VIEs (Note 7)	465	—	465	—
Other income	1,522	2,109	3,656	4,942
Total revenues	333,857	312,513	974,422	911,944
Expenses				
Provision for losses (Note 11)	6,889	(8,135)	(1,890)	(46,696)
Policy acquisition costs	6,724	6,920	20,040	18,431
Cost of services	9,542	8,886	28,404	29,541
Other operating expenses	85,919	79,206	260,203	252,360
Interest expense (Note 12)	29,391	23,282	85,501	66,526
Amortization of other acquired intangible assets	—	1,371	—	4,112
Total expenses	138,465	111,530	392,258	324,274
Pretax income	195,392	200,983	582,164	587,670
Income tax provision	43,500	44,401	126,015	127,244
Net income	$ 151,892	$ 156,582	$ 456,149	$ 460,426
Net income per share				
Basic	$ 1.00	$ 0.99	$ 2.98	$ 2.90
Diluted	$ 0.99	$ 0.98	$ 2.95	$ 2.86
Weighted average number of common shares outstanding—basic	151,846	158,461	153,199	158,992
Weighted average number of common and common equivalent shares outstanding—diluted	153,073	160,147	154,607	160,869

See Notes to Unaudited Condensed Consolidated Financial Statements.

Radian Group Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net income	$ 151,892	$ 156,582	$ 456,149	$ 460,426
Other comprehensive income (loss), net of tax (Note 15)				
Unrealized holding gains (losses) on investments arising during the period for which an allowance for expected losses has not been recognized	144,659	(99,603)	92,930	(74,874)
Less: Reclassification adjustment for net gains (losses) on investments included in net income				
Net realized gains (losses) on disposals and non-credit related impairment losses	448	(2,207)	(4,889)	(10,412)
Net unrealized gains (losses) on investments	144,211	(97,396)	97,819	(64,462)
Other adjustments to comprehensive income (loss), net	—	—	(68)	179
Other comprehensive income (loss), net of tax	144,211	(97,396)	97,751	(64,283)
Comprehensive income (loss)	$ 296,103	$ 59,186	$ 553,900	$ 396,143

See Notes to Unaudited Condensed Consolidated Financial Statements.

Radian Group Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Common Stockholders' Equity (Unaudited)

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Common stock				
Balance, beginning of period	$ 172	$ 177	$ 173	$ 176
Issuance of common stock under incentive and benefit plans	—	—	2	2
Shares repurchased under share repurchase program (Note 14)	(1)	(2)	(4)	(3)
Balance, end of period	171	175	171	175
Treasury stock				
Balance, beginning of period	(967,218)	(945,032)	(945,870)	(930,643)
Repurchases of common stock under incentive plans	(499)	(472)	(21,847)	(14,861)
Balance, end of period	(967,717)	(945,504)	(967,717)	(945,504)
Additional paid-in capital				
Balance, beginning of period	1,356,341	1,522,895	1,430,594	1,519,641
Issuance of common stock under incentive and benefit plans	1,205	1,094	3,592	3,951
Share-based compensation	6,985	9,159	31,025	29,564
Shares repurchased under share repurchase program (Note 14)	(49,485)	(50,436)	(150,165)	(70,444)
Balance, end of period	1,315,046	1,482,712	1,315,046	1,482,712
Retained earnings				
Balance, beginning of period	4,470,335	4,016,482	4,243,759	3,786,952
Net income	151,892	156,582	456,149	460,426
Dividends and dividend equivalents declared	(37,774)	(36,466)	(115,455)	(110,780)
Balance, end of period	4,584,453	4,136,598	4,584,453	4,136,598
Accumulated other comprehensive income (loss)				
Balance, beginning of period	(377,311)	(423,686)	(330,851)	(456,799)
Net unrealized gains (losses) on investments, net of tax	144,211	(97,396)	97,819	(64,462)
Other adjustments to other comprehensive income (loss)	—	—	(68)	179
Balance, end of period	(233,100)	(521,082)	(233,100)	(521,082)
Total stockholders' equity	$ 4,698,853	$ 4,152,899	$ 4,698,853	$ 4,152,899

See Notes to Unaudited Condensed Consolidated Financial Statements.

Radian Group Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

(In thousands)	Nine Months Ended September 30, 2024	2023
Cash flows from operating activities		
Net income	$ 456,149	$ 460,426
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net (gains) losses on investments and other financial instruments	1,823	3,206
Net (gains) losses on consolidated VIE assets and liabilities	(265)	—
Purchases of residential mortgage loans held for sale	(1,143,220)	(187,163)
Proceeds from sales of residential mortgage loans held for sale	273,848	36,677
Principal payments from residential mortgage loans held for sale	19,989	13,870
Loss on extinguishment of debt	4,275	—
Amortization of other acquired intangible assets	—	4,112
Depreciation, other amortization, and other impairments, net	53,025	43,476
Deferred income tax provision	122,056	123,565
Change in:		
Accrued investment income	(5,877)	(5,530)
Accounts and notes receivable	(11,697)	(24,888)
Reinsurance recoverable	(8,106)	1,484
Deferred policy acquisition costs	288	(357)
Prepaid federal income tax	(120,016)	(100,452)
Other assets	11,115	37,841
Unearned premiums	(27,389)	(35,078)
Reserve for losses and LAE	(6,923)	(59,275)
Reinsurance funds withheld	8,246	4,047
Other liabilities	(21,478)	(51,485)
Net cash provided by (used in) operating activities	(394,157)	264,476
Cash flows from investing activities		
Proceeds from sales of:		
Fixed-maturities available for sale	391,612	266,206
Trading securities	—	9,123
Equity securities	28,503	46,136
Proceeds from redemptions of:		
Fixed-maturities available for sale	648,451	384,262
Trading securities	16,929	1,538
Purchases of:		
Fixed-maturities available for sale	(1,019,843)	(796,087)
Equity securities	(21,976)	(5,711)
Sales, redemptions and (purchases) of:		
Short-term investments, net	241,802	(77,572)
Other assets and other invested assets, net	1,274	(2,945)
Principal payments from securitized residential mortgage loans held for investment	8,508	—
Additions to property and equipment	(2,831)	(14,395)
Net cash provided by (used in) investing activities	292,429	(189,445)

See Notes to Unaudited Condensed Consolidated Financial Statements.

(In thousands)	Nine Months Ended September 30, 2024	2023
Cash flows from financing activities		
Dividends and dividend equivalents paid	(115,227)	(111,029)
Issuance of common stock	928	1,533
Repurchases of common stock	(149,043)	(70,028)
Issuance of senior notes	616,745	—
Redemption of senior notes	(977,079)	—
Issuance of securitized nonrecourse debt	344,514	—
Repayments of securitized nonrecourse debt	(8,508)	—
Proceeds (repayments) related to cash collateral for loaned securities, net	(32,459)	19,462
Proceeds from secured borrowings	1,654,037	389,408
Repayments of secured borrowings	(1,221,597)	(303,477)
Credit facility commitment fees paid	(573)	(666)
Net cash provided by (used in) financing activities	111,738	(74,797)
Increase (decrease) in cash and restricted cash	10,010	234
Cash and restricted cash, beginning of period	20,065	56,560
Cash and restricted cash, end of period	$ 30,075	$ 56,794
Supplemental noncash information		
Transfer from residential mortgage loans held for sale to securitized residential mortgage loans held for investment	$ 350,875	$ —
Retention of mortgage servicing rights from residential mortgage loan sales	2,189	—
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	1,242	—

See Notes to Unaudited Condensed Consolidated Financial Statements.

1. Description of Business

We are a mortgage and real estate company, providing both credit-related mortgage insurance coverage and an array of products and services across the residential real estate and mortgage finance industries. We have one reportable business segment—Mortgage Insurance.

Mortgage Insurance

Our Mortgage Insurance segment provides credit-related insurance coverage, principally through private mortgage insurance on residential first-lien mortgage loans, as well as contract underwriting and other credit risk management solutions, to mortgage lending institutions and mortgage credit investors. We provide our mortgage insurance products and services through our wholly owned subsidiary, Radian Guaranty.

Private mortgage insurance plays an important role in the U.S. housing finance system because it promotes affordable home ownership and helps protect mortgage lenders and mortgage investors, as well as other beneficiaries such as the GSEs, by mitigating default-related losses on residential mortgage loans. Generally, these loans are made to home buyers who make down payments of less than 20% of the purchase price for their home or, in the case of refinancings, have less than 20% equity in their home. Private mortgage insurance also facilitates the sale of these low down payment loans in the secondary mortgage market, almost all of which are currently sold to the GSEs.

Our total direct primary mortgage IIF and RIF were $274.7 billion and $71.8 billion, respectively, as of September 30, 2024, compared to $270.0 billion and $69.7 billion, respectively, as of December 31, 2023.

The GSEs and state insurance regulators impose various capital and financial requirements on Radian Guaranty. These include the PMIERs financial requirements, as well as Risk-to-capital and other risk-based capital measures and surplus requirements. Failure to comply with these capital and financial requirements may limit the amount of insurance that Radian Guaranty writes or may prohibit it from writing insurance altogether. The GSEs and state insurance regulators possess significant discretion regarding all aspects of Radian Guaranty's business. See Note 16 for additional information on PMIERs and other regulatory information.

All Other

We report on our other operating segments and business activities within an All Other category, which includes the results of our Mortgage Conduit, Title, Real Estate Services and Real Estate Technology businesses.

See Note 4 for additional information about our Mortgage Insurance reportable segment and All Other business activities.

Risks and Uncertainties

In assessing the Company's current financial condition and developing forecasts of future operations, management has made significant judgments and estimates with respect to potential factors impacting our financial and liquidity position. These judgments and estimates are subject to risks and uncertainties that could affect amounts reported in our financial statements in future periods and that could cause actual results to be materially different from our estimates.

2. Significant Accounting Policies

Basis of Presentation

Our condensed consolidated financial statements are prepared in accordance with GAAP and include the accounts of Radian Group and its subsidiaries. All intercompany accounts and transactions, and intercompany profits and losses, have been eliminated. Certain prior period amounts have been reclassified to conform to the current period presentation, including a reclassification for the three and nine months ended September 30, 2023, of interest expense to net investment income for expenses associated with our securities lending transactions. We have condensed or omitted certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with GAAP pursuant to the instructions set forth in Article 10 of Regulation S-X of the SEC.

We generally refer to our holding company alone, without its consolidated subsidiaries, as "Radian Group." We refer to Radian Group together with its consolidated subsidiaries as "Radian," the "Company," "we," "us" or "our," unless the context requires otherwise. Unless otherwise defined in this report, certain terms and acronyms used throughout this report are defined in the Glossary of Abbreviations and Acronyms included as part of this report.

The financial information presented for interim periods is unaudited; however, such information reflects all adjustments that are, in the opinion of management, necessary for the fair statement of the financial position, results of operations, comprehensive income (loss) and cash flows for the interim periods presented. Such adjustments are of a normal recurring nature. The year-end condensed consolidated balance sheet data was derived from our audited financial statements, but does not include all disclosures required by GAAP.

To fully understand the basis of presentation, these interim financial statements and related notes contained herein should be read in conjunction with the audited financial statements and notes thereto included in our 2023 Form 10-K. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year or for any other period.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of our contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. While the amounts included in our condensed consolidated financial statements include our best estimates and assumptions, actual results may vary materially.

Other Significant Accounting Policies

See Note 2 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for information regarding other significant accounting policies. There have been no significant changes in our significant accounting policies from those discussed in our 2023 Form 10-K. Beginning in the third quarter of 2024, we expanded our involvement with VIEs through our residential mortgage loan securitization program. See Note 7 for additional information regarding our involvement with VIEs associated with these securitization transactions.

Recent Accounting Pronouncements

Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting—Improvements to Reportable Segment Disclosures. This update enhances disclosure requirements, primarily through enhanced disclosures about significant reportable segment expenses under ASC 280. This update is applicable to all public entities and is effective for fiscal years starting after December 15, 2023, and interim periods within fiscal periods commencing after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied retrospectively for all periods presented in the financial statements. We are currently evaluating the impact the new accounting guidance will have on our disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes—Improvements to Income Tax Disclosures, an update which enhances income tax disclosures. This guidance requires disaggregated information about an entity's effective tax rate reconciliation as well as information on income taxes paid. This update is applicable to all public entities and is effective for fiscal years starting after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied prospectively; however, retrospective application is permitted. We are currently evaluating the impact the new accounting guidance will have on our disclosures.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses. This update requires enhanced disclosures of certain costs and expenses in the notes to the financial statements. This update is applicable to all public entities and is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this update should be applied prospectively; however, retrospective application is permitted. We are currently evaluating the impact the new accounting guidance will have on our disclosures.

3. Net Income Per Share

Basic net income per share is computed by dividing net income by the weighted average number of common shares outstanding, while diluted net income per share is computed by dividing net income attributable to common stockholders by the sum of the weighted average number of common shares outstanding and the weighted average number of dilutive potential common shares. Dilutive potential common shares relate to our share-based compensation arrangements.

The calculation of basic and diluted net income per share is as follows.

Net income per share

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per-share amounts)	2024	2023	2024	2023
Net income—basic and diluted	$ 151,892	$ 156,582	$ 456,149	$ 460,426
Average common shares outstanding—basic	151,846	158,461	153,199	158,992
Dilutive effect of share-based compensation arrangements [1]	1,227	1,686	1,408	1,877
Adjusted average common shares outstanding—diluted	153,073	160,147	154,607	160,869
Net income per share				
Basic	$ 1.00	$ 0.99	$ 2.98	$ 2.90
Diluted	$ 0.99	$ 0.98	$ 2.95	$ 2.86

(1)The following number of shares of our common stock equivalents issued under our share-based compensation arrangements are not included in the calculation of diluted net income per share because their effect would be anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Shares of common stock equivalents	—	—	5	100

4. Segment Reporting

In the first quarter of 2024, our Chief Executive Officer (Radian's chief operating decision maker) made certain changes to the way that he organizes and assesses the performance of our operating segments, which resulted in updates to our quantitative and aggregation analyses in accordance with the accounting standard regarding segment reporting. Whereas in prior years we aggregated our Title, Real Estate Services and Real Estate Technology businesses and reported them as a single reportable segment named homegenius, effective for 2024 we are reporting the results of operations for these individual businesses and our Mortgage Conduit business, none of which meet the reportable segment materiality thresholds, in the All Other category, along with certain corporate and other activities. This reflects the way our Chief Executive Officer is currently managing and evaluating these businesses individually and is aligned with materiality considerations consistent with current accounting guidance.

As a result of the change described above, we now have one reportable segment, Mortgage Insurance, which derives its revenue from mortgage insurance and other mortgage and risk services, including contract underwriting solutions provided to mortgage lending institutions and mortgage credit investors. In addition to this reportable segment, in All Other we report activities that include: (i) income (losses) from assets held by Radian Group, our holding company; (ii) related general corporate operating expenses not attributable or allocated to our reportable segment; and (iii) the operating results from certain other immaterial activities and operating segments, including our Mortgage Conduit, Title, Real Estate Services and Real Estate Technology businesses. We have reflected this change in our segment operating results for all periods presented, as shown below.

We allocate corporate operating expenses to our Mortgage Insurance business and our immaterial operating businesses included in All Other based primarily on their respective forecasted annual percentage of total revenue, which approximates the estimated percentage of management time spent on each business. In addition, we allocate all corporate interest expense to our Mortgage Insurance segment, due to the capital-intensive nature of our mortgage insurance business. We do not manage assets by operating segments.

See Note 1 for additional details about our Mortgage Insurance business.

Adjusted Pretax Operating Income (Loss)

Our senior management, including our Chief Executive Officer, uses adjusted pretax operating income (loss) as our primary measure to evaluate the fundamental financial performance of each of Radian's businesses and to allocate resources to them.

Adjusted pretax operating income (loss) is defined as pretax income (loss) excluding the effects of: (i) net gains (losses) on investments and other financial instruments, except for those investments and other financial instruments attributable to our Mortgage Conduit business; (ii) amortization and impairment of goodwill and other acquired intangible assets; and (iii) impairment of other long-lived assets and other non-operating items, if any, such as gains (losses) from the sale of lines of business, acquisition-related income (expenses) and gains (losses) on extinguishment of debt. See Note 4 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for detailed information regarding items excluded from adjusted pretax operating income (loss), including the reasons for their treatment.

Although adjusted pretax operating income (loss) excludes certain items that have occurred in the past and are expected to occur in the future, the excluded items represent those that are: (i) not viewed as part of the operating performance of our primary activities or (ii) not expected to result in an economic impact equal to the amount reflected in pretax income (loss).

The reconciliation of adjusted pretax operating income (loss) for our reportable segment to consolidated pretax income is as follows.

Reconciliation of adjusted pretax operating income (loss) to consolidated pretax income

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Mortgage Insurance adjusted pretax operating income [1]	$ 203,543	$ 219,229	$ 612,156	$ 632,027
Reconciling items				
All Other adjusted pretax operating income (loss)	(4,875)	(8,774)	(17,988)	(37,334)
Net gains (losses) on investments and other financial instruments [2]	6,785	(8,838)	2,454	(3,664)
Amortization and impairment of goodwill and other acquired intangible assets	—	(1,371)	—	(4,112)
Impairment of other long-lived assets and other non-operating items [3]	(10,061)	737	(14,458)	753
Consolidated pretax income	$ 195,392	$ 200,983	$ 582,164	$ 587,670

(1)Includes allocated corporate operating expenses and depreciation expense as follows.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Allocated corporate operating expenses [a]	$ 32,533	$ 31,744	$ 110,239	$ 103,654
Direct depreciation expense	2,003	1,995	5,995	6,164

(a)Includes immaterial allocated depreciation expense for the three and nine months ended September 30, 2024 and 2023.
(2)Excludes net gains (losses) on investments and other financial instruments that are attributable to our Mortgage Conduit business, which are included in adjusted pretax operating income (loss).
(3)The non-operating loss for the three and nine months ended September 30, 2024, primarily relates to impairment of internal-use software, due to a strategic decision made in the third quarter of 2024 to discontinue the use and offering of a particular product, which resulted in the full impairment of the remaining capitalized costs for this asset.

Revenues

The reconciliation of revenues for our reportable segment to consolidated revenues is as follows.

Reconciliation of reportable segment revenues to total revenues

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Mortgage Insurance revenues	$ 287,572	$ 288,257	$ 858,578	$ 827,955
Reconciling items				
All Other [1]	39,605	32,328	113,733	87,090
Net gains (losses) on investments and other financial instruments	6,785	(8,838)	2,454	(3,664)
Other non-operating revenue	—	868	—	868
Elimination of inter-segment revenues	(105)	(102)	(343)	(305)
Total revenues	$ 333,857	$ 312,513	$ 974,422	$ 911,944

(1)All Other total revenues include immaterial inter-segment revenues for the three and nine months ended September 30, 2024 and 2023.

The table below, which represents total services revenue in our condensed consolidated statements of operations for the periods indicated, provides the disaggregation of services revenue by revenue type.

Services revenue

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Mortgage Insurance				
Contract underwriting services	$ 244	$ 266	$ 763	$ 886
All Other				
Real Estate Services				
Valuation	3,292	3,405	11,853	10,168
Single family rental	2,302	1,529	7,030	5,583
Asset management technology platform	1,193	1,199	3,616	3,574
Real estate owned asset management	1,082	887	3,331	2,687
Other real estate services	7	26	16	27
Title	3,427	2,964	9,540	8,751
Real Estate Technology	620	616	1,871	1,997
Total services revenue	$ 12,167	$ 10,892	$ 38,020	$ 33,673

See Note 2 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for information regarding our accounting policies and the services we offer.

5. Fair Value of Financial Instruments

For discussion of our valuation methodologies for assets and liabilities measured at fair value and the fair value hierarchy, see Note 5 of Notes to Consolidated Financial Statements in our 2023 Form 10-K.

The following tables include a list of assets and liabilities that are measured at fair value by hierarchy level as of the dates indicated.

Assets and liabilities carried at fair value by hierarchy level

(In thousands)	September 30, 2024			
	Level I	Level II	Level III	Total
Investments				
Fixed-maturities available for sale				
U.S. government and agency securities	$ 127,300	$ 8,962	$ —	$ 136,262
State and municipal obligations	—	160,289	—	160,289
Corporate bonds and notes	—	2,553,145	—	2,553,145
RMBS	—	1,058,454	—	1,058,454
CMBS	—	473,312	—	473,312
CLO	—	467,761	—	467,761
Other ABS	—	395,603	—	395,603
Mortgage insurance-linked notes [1]	—	47,654	—	47,654
Total fixed-maturities available for sale	127,300	5,165,180	—	5,292,480
Trading securities				
State and municipal obligations	—	53,592	—	53,592
Corporate bonds and notes	—	25,465	—	25,465
RMBS	—	5,346	—	5,346
CMBS	—	4,869	—	4,869
Total trading securities	—	89,272	—	89,272
Equity securities	135,556	3,615	6,546	145,717
Residential mortgage loans held for sale [2]	—	529,517	—	529,517
Other invested assets [3] [4]	—	—	5,808	5,808
Short-term investments				
State and municipal obligations	—	2,200	—	2,200
Money market instruments	318,929	—	—	318,929
Corporate bonds and notes	—	50,512	—	50,512
Other ABS	—	9,789	—	9,789
Other investments [5]	—	50,955	—	50,955
Total short-term investments	318,929	113,456	—	432,385
Total investments at fair value [4]	581,785	5,901,040	12,354	6,495,179
Other				
Derivative assets	—	2,830	—	2,830
Mortgage servicing rights	—	—	1,714	1,714
Loaned securities [6]				
State and municipal obligations	—	13	—	13
Corporate bonds and notes	—	121,819	—	121,819
Other ABS	—	1,206	—	1,206
Equity securities	18,576	—	—	18,576
Securitized residential mortgage loans held for investment [2]	—	353,078	—	353,078
Total assets at fair value [4]	$ 600,361	$ 6,379,986	$ 14,068	$ 6,994,415
Liabilities				
Derivative liabilities [7]	$ —	$ 94	$ 2,748	$ 2,842
Securitized nonrecourse debt [2]	—	344,904	—	344,904
Total liabilities at fair value	$ —	$ 344,998	$ 2,748	$ 347,746

(1) Includes mortgage insurance-linked notes purchased by Radian Group in connection with the XOL Program. See Note 8 for more information.
(2) See Note 7 for more information about our residential mortgage loan activities, including our private label securitization program.

(3)Consists primarily of interests in private debt and equity investments.
(4)Does not include other invested assets of $2 million that are primarily invested in limited partnership investments valued using the net asset value as a practical expedient.
(5)Comprises short-term certificates of deposit and commercial paper.
(6)Securities loaned to third-party borrowers under securities lending agreements are classified as other assets on our condensed consolidated balance sheets. See Note 6 for more information on our securities lending agreements.
(7)Level III derivative liabilities consist of embedded derivatives related to our XOL Program, which are classified as other liabilities on our condensed consolidated balance sheets. See Note 8 for more information.

Assets and liabilities carried at fair value by hierarchy level

(In thousands)	December 31, 2023			
	Level I	Level II	Level III	Total
Investments				
Fixed-maturities available for sale				
U.S. government and agency securities	$ 124,734	$ 9,859	$ —	$ 134,593
State and municipal obligations	—	142,785	—	142,785
Corporate bonds and notes	—	2,511,905	—	2,511,905
RMBS	—	1,014,071	—	1,014,071
CMBS	—	558,383	—	558,383
CLO	—	487,849	—	487,849
Other ABS	—	284,559	—	284,559
Foreign government and agency securities	—	5,087	—	5,087
Mortgage insurance-linked notes [1]	—	48,996	—	48,996
Total fixed-maturities available for sale	124,734	5,063,494	—	5,188,228
Trading securities				
State and municipal obligations	—	70,844	—	70,844
Corporate bonds and notes	—	24,913	—	24,913
RMBS	—	5,930	—	5,930
CMBS	—	4,736	—	4,736
Total trading securities	—	106,423	—	106,423
Equity securities	81,170	5,387	2,500	89,057
Residential mortgage loans held for sale [2]	—	32,755	—	32,755
Other invested assets [3] [4]	—	—	7,196	7,196
Short-term investments				
State and municipal obligations	—	2,700	—	2,700
Money market instruments	368,433	—	—	368,433
Corporate bonds and notes	—	150,930	—	150,930
CMBS	—	1,347	—	1,347
Other ABS	—	1,158	—	1,158
Other investments [5]	—	135,998	—	135,998
Total short-term investments	368,433	292,133	—	660,566
Total investments at fair value [4]	574,337	5,500,192	9,696	6,084,225
Other				
Derivative assets [6]	—	1,912	1	1,913
Loaned securities [7]				
U.S. government and agency securities	9,803	—	—	9,803
Corporate bonds and notes	—	117,992	—	117,992
Equity securities	75,898	—	—	75,898
Total assets at fair value [4]	$ 660,038	$ 5,620,096	$ 9,697	$ 6,289,831
Liabilities				
Derivative liabilities [6]	$ —	$ 817	$ 692	$ 1,509
Total liabilities at fair value	$ —	$ 817	$ 692	$ 1,509

(1) Includes mortgage insurance-linked notes purchased by Radian Group in connection with the XOL Program. See Note 8 for more information.
(2) See Note 7 for more information about our residential mortgage loan activities.
(3) Consists primarily of interests in private debt and equity investments.
(4) Does not include other invested assets of $1 million that are primarily invested in limited partnership investments valued using the net asset value as a practical expedient.
(5) Comprises short-term certificates of deposit and commercial paper.

(6)Level III derivative assets and liabilities consist of embedded derivatives related to our XOL Program, which are classified as other assets and liabilities in our consolidated balance sheets. See Note 8 for more information.
(7)Securities loaned to third-party borrowers under securities lending agreements are classified as other assets in our consolidated balance sheets. See Note 6 for more information.

Activity related to Level III assets and liabilities (including realized and unrealized gains and losses, purchases, sales, issuances, settlements and transfers) was immaterial for the three and nine months ended September 30, 2024 and 2023.

Other Fair Value Disclosure

The carrying value and estimated fair value of other selected assets and liabilities not carried at fair value on our condensed consolidated balance sheets were as follows as of the dates indicated.

Financial instruments not carried at fair value

(In thousands)	September 30, 2024		December 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Company-owned life insurance	$ 109,980	$ 109,980	$ 106,417	$ 106,417
Senior notes	1,064,718	1,103,786	1,417,781	1,406,118
Secured borrowings				
FHLB advances	$ 54,364	$ 54,435	$ 95,277	$ 95,348
Mortgage loan financing facilities	497,552	497,552	24,199	24,199
Total secured borrowings	$ 551,916	$ 551,987	$ 119,476	$ 119,547

The fair value of our company-owned life insurance is estimated based on the cash surrender value less applicable surrender charges. These assets are categorized in Level II of the fair value hierarchy. See Note 9 for further information on our company-owned life insurance.

The fair value of our senior notes is estimated based on quoted market prices. The fair value of our secured borrowings is estimated based on current market rates and contractual cash flows including, for FHLB advances, any fees that may be required to be paid to the FHLB. These liabilities are categorized in Level II of the fair value hierarchy. See Note 12 for further information about our senior notes and secured borrowings.

6. Investments

Available for Sale Securities

Our available for sale securities within our investment portfolio consisted of the following as of the dates indicated.

Available for sale securities

(In thousands)	September 30, 2024 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed-maturities available for sale				
U.S. government and agency securities	$ 160,871	$ 25	$ (24,634)	$ 136,262
State and municipal obligations	172,140	645	(12,483)	160,302
Corporate bonds and notes	2,858,351	26,816	(210,302)	2,674,865
RMBS	1,111,244	14,870	(67,660)	1,058,454
CMBS	499,415	117	(26,220)	473,312
CLO	469,209	383	(1,831)	467,761
Other ABS	394,154	4,673	(2,018)	396,809
Mortgage insurance-linked notes [1]	45,571	2,083	—	47,654
Total securities available for sale, including loaned securities	5,710,955	$ 49,612	$ (345,148) [2]	5,415,419
Less: loaned securities [3]	127,381			122,939
Total fixed-maturities available for sale	$ 5,583,574			$ 5,292,480

(In thousands)	December 31, 2023 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed-maturities available for sale				
U.S. government and agency securities	$ 171,194	$ 93	$ (26,891)	$ 144,396
State and municipal obligations	158,539	283	(16,037)	142,785
Corporate bonds and notes	2,876,175	12,286	(259,177)	2,629,284
RMBS	1,089,919	8,250	(84,098)	1,014,071
CMBS	605,029	51	(46,697)	558,383
CLO	494,339	63	(6,553)	487,849
Other ABS	286,988	1,608	(4,037)	284,559
Foreign government and agency securities	5,128	—	(41)	5,087
Mortgage insurance-linked notes [1]	47,456	1,540	—	48,996
Total securities available for sale, including loaned securities	5,734,767	$ 24,174	$ (443,531) [2]	5,315,410
Less: loaned securities [3]	135,656			127,182
Total fixed-maturities available for sale	$ 5,599,111			$ 5,188,228

(1)Includes mortgage insurance-linked notes purchased by Radian Group in connection with the XOL Program. See Note 8 for more information.
(2)See "Gross Unrealized Losses and Related Fair Value of Available for Sale Securities" below for additional details.
(3)Included in other assets on our condensed consolidated balance sheets. See "Loaned Securities" below for a discussion of our securities lending agreements.

Gross Unrealized Losses and Related Fair Value of Available for Sale Securities

For securities deemed "available for sale" that are in an unrealized loss position and for which an allowance for credit loss has not been established, the following tables show the gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of the dates indicated. Included in the amounts as of September 30, 2024, and December 31, 2023, are loaned securities that are classified as other assets on our condensed consolidated balance sheets, as further described below.

Unrealized losses on fixed-maturities available for sale by category and length of time

	September 30, 2024					
	Less Than 12 Months		12 Months or Greater		Total	
(In thousands) Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government and agency securities	$ 5,103	$ (10)	$ 120,876	$ (24,624)	$ 125,979	$ (24,634)
State and municipal obligations	17,690	(432)	86,609	(12,051)	104,299	(12,483)
Corporate bonds and notes	135,130	(835)	1,700,938	(209,467)	1,836,068	(210,302)
RMBS	35,229	(199)	606,366	(67,461)	641,595	(67,660)
CMBS	12,822	(38)	449,697	(26,182)	462,519	(26,220)
CLO	57,047	(120)	72,100	(1,711)	129,147	(1,831)
Other ABS	27,690	(133)	47,061	(1,885)	74,751	(2,018)
Total	$ 290,711	$ (1,767)	$ 3,083,647	$ (343,381)	$ 3,374,358	$ (345,148)

	December 31, 2023					
	Less Than 12 Months		12 Months or Greater		Total	
(In thousands) Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government and agency securities	$ 15,650	$ (938)	$ 113,678	$ (25,953)	$ 129,328	$ (26,891)
State and municipal obligations	17,154	(551)	104,949	(15,486)	122,103	(16,037)
Corporate bonds and notes	161,924	(1,261)	2,055,113	(257,916)	2,217,037	(259,177)
RMBS	113,506	(1,439)	653,955	(82,659)	767,461	(84,098)
CMBS	8,558	(31)	546,104	(46,666)	554,662	(46,697)
CLO	15,083	(25)	438,294	(6,528)	453,377	(6,553)
Other ABS	49,513	(322)	64,078	(3,715)	113,591	(4,037)
Foreign government and agency securities	—	—	5,087	(41)	5,087	(41)
Total	$ 381,388	$ (4,567)	$ 3,981,258	$ (438,964)	$ 4,362,646	$ (443,531)

There were 820 and 1,063 securities in an unrealized loss position at September 30, 2024, and December 31, 2023, respectively. We determined that these unrealized losses were due to non-credit factors and that, as of September 30, 2024, we did not expect to realize a loss for our investments in an unrealized loss position given our intent and ability to hold these investment securities until recovery of their amortized cost basis. See Note 2 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for information regarding our accounting policy for impairments of investments.

Contractual Maturities

The contractual maturities of fixed-maturities available for sale were as follows.

Contractual maturities of fixed-maturities available for sale

(In thousands)	September 30, 2024	
	Amortized Cost	Fair Value
Due in one year or less	$ 111,757	$ 110,762
Due after one year through five years [1]	1,178,043	1,152,612
Due after five years through 10 years [1]	965,508	920,061
Due after 10 years [1]	936,054	787,994
Asset-backed and mortgage-backed securities [2]	2,519,593	2,443,990
Total	5,710,955	5,415,419
Less: loaned securities	127,381	122,939
Total fixed-maturities available for sale	$ 5,583,574	$ 5,292,480

(1)Actual maturities may differ as a result of calls before scheduled maturity.
(2)Includes RMBS, CMBS, CLO, Other ABS and mortgage insurance-linked notes, which are not due at a single maturity date.

Net Investment Income

Net investment income consisted of the following.

Net investment income

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Investment income				
Fixed-maturities	$ 59,348	$ 58,599	$ 174,531	$ 167,985
Equity securities	3,047	3,222	8,653	9,667
Mortgage loans held for sale [1]	7,828	1,719	15,032	2,487
Short-term investments	9,686	5,405	27,258	12,969
Other [2]	1,525	1,308	4,626	3,633
Gross investment income	81,434	70,253	230,100	196,741
Investment expenses [2]	(3,038)	(2,448)	(8,717)	(7,135)
Net investment income	$ 78,396	$ 67,805	$ 221,383	$ 189,606

(1)See Note 7 for additional information on our mortgage loans held for sale.
(2)Includes the impact from our securities lending activities. Investment expenses also include other investment management expenses.

Net Gains (Losses) on Investments and Other Financial Instruments

Net gains (losses) on investments and other financial instruments consisted of the following.

Net gains (losses) on investments and other financial instruments

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Net realized gains (losses) on investments sold or redeemed [1]				
Fixed-maturities available for sale				
Gross realized gains	$ 2,021	$ 20	$ 2,652	$ 588
Gross realized losses	(1,323)	(2,814)	(8,472)	(13,768)
Fixed-maturities available for sale, net	698	(2,794)	(5,820)	(13,180)
Trading securities	(496)	—	(686)	(402)
Equity securities	2,156	—	2,162	1,890
Other investments	51	19	52	56
Net realized gains (losses) on investments sold or redeemed [1]	2,409	(2,775)	(4,292)	(11,636)
Change in unrealized gains (losses) on investments sold or redeemed [1]	(2,022)	9	(690)	226
Impairment losses due to intent to sell	(131)	—	(369)	—
Net unrealized gains (losses) on investments still held [1]				
Trading securities	3,926	(5,632)	988	(4,494)
Equity securities	2,585	290	4,739	4,991
Other investments	101	(1)	102	(97)
Net unrealized gains (losses) on investments still held [1]	6,612	(5,343)	5,829	400
Total net gains (losses) on investments [1]	6,868	(8,109)	478	(11,010)
Net gains (losses) on mortgage loans held for sale (Note 7) [2]	(4,611)	284	(4,277)	459
Net gains (losses) on other financial instruments [1] [3]	(83)	(730)	1,976	7,345
Net gains (losses) on investments and other financial instruments	$ 2,174	$ (8,555)	$ (1,823)	$ (3,206)

(1) Excludes activities related to our mortgage loans held for sale. See Note 7 for additional information.
(2) Includes realized and unrealized net gains (losses) on mortgage loans held for sale and related activities, including interest rate hedges. See Note 7 for additional details.
(3) Includes changes in the fair value of embedded derivatives associated with our XOL Program. See Note 8 for additional information.

Loaned Securities

We participate in a securities lending program whereby we loan certain securities in our investment portfolio to third-party borrowers for short periods of time. Under this program, we had loaned $142 million and $204 million of our investment securities to third parties as of September 30, 2024, and December 31, 2023, respectively, including fixed-maturities, equity securities and short-term investments. Although we report such securities at fair value within other assets on our condensed consolidated balance sheets, rather than within investments, the detailed information we provide in this Note 6 includes these securities.

All of our securities lending agreements are classified as overnight and revolving. Securities collateral on deposit with us from third-party borrowers totaling $30 million and $61 million as of September 30, 2024, and December 31, 2023, respectively, may not be transferred or re-pledged unless the third-party borrower is in default, and is therefore not reflected in our condensed consolidated financial statements.

See Note 5 herein for additional detail on the loaned securities and see Note 6 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional information about our accounting policies with respect to our securities lending agreements and the collateral requirements thereunder.

Other

Our investments include securities totaling $14 million at both September 30, 2024, and December 31, 2023, that are on deposit and serving as collateral with various state regulatory authorities. Our fixed-maturities available for sale also include securities serving as collateral for our FHLB advances. See Note 12 for additional information about our FHLB advances.

7. Residential Mortgage Loans

Radian Mortgage Capital, our mortgage conduit subsidiary, acquires residential mortgage loans with the intention of then either selling the loans directly to mortgage investors, including the GSEs, or distributing them into the capital markets through private label securitizations, with the option to retain and manage certain components of the underlying credit risk.

During the aggregation period following loan acquisition, we carry these loans as residential mortgage loans held for sale until the loan is either sold or securitized. If the loan is ultimately contributed to a securitization, we perform an analysis of our ongoing participation and rights in the securitization to determine if we need to consolidate the securitization trust. If we conclude that we are required to consolidate the securitization trust and continue to reflect those securitized mortgage loans on our condensed consolidated balance sheets, we then reclassify those loans as securitized residential mortgage loans held for investment, as described further below.

Residential Mortgage Loans Held for Sale

The carrying value of our residential mortgage loans held for sale owned by Radian Mortgage Capital totaled $530 million and $33 million at September 30, 2024, and December 31, 2023, respectively, and is based on fair value. The estimated fair value of our mortgage loans held for sale is subject to, among other things, changes in mortgage interest rates from the date we agree to purchase the mortgage loan through the date we agree to sell the mortgage loan. In an effort to mitigate this interest rate risk, we enter into certain derivative contracts with third parties during the period from the commitment to purchase the mortgage loans until the loans are either securitized or sold directly to mortgage investors.

We elected the fair value option for our residential mortgage loans held for sale to allow for consistent treatment of both mortgage loans and any associated hedges or derivatives. Net gains (losses) associated with our mortgage loans held for sale and any related hedges are included in net gains (losses) on investments and other financial instruments in our condensed consolidated statements of operations.

As of September 30, 2024, our residential mortgage loans held for sale consisted of 569 mortgage loans with a total unpaid principal balance of $517 million, related to properties in 42 states and the District of Columbia. Loans on properties in California accounted for 30% of this balance, with no other state concentration exceeding 10% as of September 30, 2024. The majority of our loans are non-agency loans, with balances in excess of the GSEs' conforming loan limits and with credit risk characteristics commensurate with the prime jumbo private label securitization market. As of September 30, 2024, none of these mortgage loans were greater than ninety days delinquent or in nonaccrual status. Interest earned on residential mortgage loans held for sale is included in net investment income in our condensed consolidated statements of operations.

Further, as of September 30, 2024, the Company had commitments to purchase and fund additional mortgage loans with a total unpaid principal balance of $268 million. Prior to the settlement and funding of these loan purchases, any unrealized net gains (losses) related to these commitments are recorded as derivative assets or liabilities on our condensed consolidated balance sheets, with the corresponding gain or loss included in net gains (losses) on investments and other financial instruments in our condensed consolidated statements of operations.

The following table reflects the outstanding derivative instruments related to our mortgage loan activity as of the dates indicated.

Derivative instruments

	September 30, 2024			December 31, 2023		
		Fair Value			Fair Value	
(In thousands)	Notional [1]	Derivative Assets	Derivative Liabilities	Notional [1]	Derivative Assets	Derivative Liabilities
Forward mortgage loan purchase commitments	$ 267,644	$ 1,286	$ —	$ 83,962	$ 708	$ —
Hedging instruments [2]						
Forward RMBS purchase contracts [3]	$ 274,000	$ 221	$ 94	$ 51,100	$ 715	$ 817
Interest rate swap futures contracts [4]	51,500	1,323	—	7,300	489	—

(1)Notional amounts provide an indication of the volume of the Company's derivative capacity. The notional amount is the face amount of our contracts and does not represent our exposure to credit loss and therefore is not reflected on our condensed consolidated balance sheets.
(2)All of the derivatives used for hedging purposes are interest rate derivatives subject to master netting agreements and are considered economic hedges.
(3)Derivative assets include cash collateral receivables of $1 million and $715 thousand as of September 30, 2024, and December 31, 2023, respectively.
(4)Derivative assets include cash collateral receivables of $2 million and $720 thousand as of September 30, 2024, and December 31, 2023, respectively.

The impact to net gains (losses) on investments and other financial instruments from our residential mortgage loans held for sale and related hedging activities was as follows.

Net gains (losses) on residential mortgage loans held for sale

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Net realized gains (losses)				
Mortgage loans held for sale [1]	$ (2,819)	$ (89)	$ (4,008)	$ (80)
Mortgage loans held for sale hedging activities	(11,451)	358	(8,706)	319
Total realized gains (losses)	(14,270)	269	(12,714)	239
Mortgage loan servicing rights resulting from loan sales	758	—	2,256	—
Change in unrealized gains (losses) on mortgage loans held for sale and related derivatives sold or redeemed	2,640	(246)	(271)	(23)
Unrealized gains (losses) on mortgage loans held for sale and related derivatives still held				
Mortgage loans held for sale [2]	6,852	(1,728)	7,043	(1,746)
Mortgage loans held for sale hedging activities	(591)	1,989	(591)	1,989
Total net unrealized gains (losses)	6,261	261	6,452	243
Net gains (losses) on residential mortgage loans held for sale	$ (4,611)	$ 284	$ (4,277)	$ 459

(1)Includes net gains (losses) on residential mortgage loans held for sale through the date of transfer to a securitization trust, if applicable. See "Securitized Residential Mortgage Loans Held for Investment" below for information on subsequent gains (losses) for those securitized loans.
(2)Includes net gains (losses) on mortgage loan commitments accounted for as derivatives prior to settlement.

We primarily fund the purchases of our residential mortgage loans held for sale with amounts borrowed under our mortgage loan financing facilities. Expenses related to these facilities are included in interest expense in our condensed consolidated statements of operations. See Note 12 for additional information on these facilities and their related terms and covenants.

Net investment income earned on our residential mortgage loans held for sale and interest expense incurred on our mortgage loan financing facilities consisted of the following.

Net interest on residential mortgage loans held for sale

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Interest income	$ 7,828	$ 1,719	$ 15,032	$ 2,487
Interest expense	(7,500)	(1,609)	(14,045)	(2,086)
Net interest on residential mortgage loans held for sale	$ 328	$ 110	$ 987	$ 401

In addition to the debt covenants under its financing facilities, Radian Mortgage Capital is also subject to certain requirements established by state and other regulators and loan purchasers, including Freddie Mac, such as certain minimum net worth and capital requirements and ratios. As of September 30, 2024, the most restrictive of these financial conditions required Radian Mortgage Capital to maintain a ratio of tangible net worth to total assets of at least 6%. As of September 30, 2024, Radian Mortgage Capital's tangible net worth was $103 million, compared to a required minimum tangible net worth of $37 million based on this ratio. Changes in the fair value of residential mortgage loans held for sale and related hedges could materially impact Radian Mortgage Capital's net worth in future periods. To the extent any capital requirements are not met, regulators and loan purchasers may exercise certain remedies, which may include, as applicable, prohibiting Radian Mortgage Capital from purchasing, selling, or servicing loans. As of September 30, 2024, Radian Mortgage Capital was in compliance with all such requirements.

Securitized Residential Mortgage Loans Held for Investment

During the third quarter of 2024, Radian Mortgage Capital closed its inaugural private label prime jumbo securitization transaction. The securitization involved the transfer of a portfolio of residential mortgage loans to a newly created special purpose vehicle, Radian Mortgage Capital Trust 2024-J1, and the private offering and issuance of $349 million of unregistered mortgage pass-through certificates collateralized by the cash flows of the underlying residential mortgage loans. At closing, we retained an interest in certain of the certificates, and Radian Mortgage Capital and its affiliates (excluding its mortgage insurance affiliates) may hold an interest in the certificates from time to time. Because this securitization consists entirely of qualified mortgages as defined in the Dodd-Frank Act, pursuant to applicable federal securities laws and regulations, Radian Mortgage Capital is not obligated to retain these certificates for a minimum length of time as part of any risk retention requirements.

We concluded that the special purpose vehicle created to facilitate this transaction is a VIE, primarily due to the minimal equity that the securitization trust holds to be able to finance its activities without additional support. In addition to being the sponsor and depositor for the trust, our involvement with this VIE is ongoing and includes retaining the subordinate certificates that are in a first loss position and maintaining certain discretionary rights associated with those subordinate investments, including certain rights to direct the loss mitigation activities of the servicer. As a result of our having both: (i) the economic obligation to absorb losses and receive benefits that could be significant to the VIE and (ii) the power to direct the activities that most significantly impact the performance of the VIE, we concluded that we are the primary beneficiary of the VIE. As a result, we consolidate the assets, liabilities, operations and cash flows of the securitization trust on our condensed consolidated financial statements. Since we were already carrying the loans transferred to the trust at fair value prior to the securitization, consistent with our policy election for all residential mortgage loans held for sale, we did not recognize any material gain or loss upon consolidation of the VIE.

Despite being the primary beneficiary of the VIE and consolidating the trust's activities, the holders of the securitized debt have no recourse to the general credit of Radian and we neither own nor are liable for the assets and liabilities of the VIE. Rather, our exposure to these trusts is primarily through the risk of loss on the interests we have retained, as well as the obligation, under certain circumstances, for Radian Mortgage Capital to repurchase assets from the VIE upon the breach of certain representations and warranties with respect to the residential mortgage loans transferred to the VIE. Furthermore, liquidity available at the consolidated VIE is not available for corporate liquidity needs, other than through distributions on the certificates we have retained.

We have elected the fair value option for the initial and subsequent recognition of the securitized residential mortgage loans and the related liabilities issued by the consolidated VIE. Electing this option allows us to record changes in fair value in

the condensed consolidated statement of operations, which, in management's view, appropriately reflects the results of operations for a particular reporting period as all activities will be recorded in a comparable manner.

We have concluded that the trust that holds the securitized residential mortgage loans is considered to be a collateralized financing entity ("CFE"). A CFE is a VIE with no more than nominal equity that holds financial assets and issues beneficial interests in those assets, for which the issued beneficial interests have contractual recourse only to the related assets of the CFE. The accounting guidance that addresses VIEs allows us to elect to measure both the financial assets and financial liabilities of a CFE using the more observable of the fair value of the financial assets and the fair value of the financial liabilities of a CFE. The net equity in an entity accounted for under the CFE election effectively represents the fair value of the retained interests that we hold in the entity.

We have determined the inputs to the fair value measurement of the financial liabilities of the VIE to be more observable than those of the financial assets and, as a result, have used the fair value of the financial liabilities of the VIE to measure the fair value of the financial assets of the VIE. For the VIE liabilities, which primarily represent investment grade asset-backed securities issued by the trust, we determine fair value with the assistance of independent third-party valuation service providers, using external market information that includes observable market yields, spreads and projected prepayment speeds on securitizations with similar collateral characteristics. The fair value estimate of the securitized residential mortgage loans is then derived using the fair value of the VIE liabilities. As such, we classify both the securitized residential mortgage loans held by the VIE and the nonrecourse debt issued by the VIE as Level II in the fair value hierarchy, as reflected in Note 5.

On our condensed consolidated balance sheets, we report both the assets and liabilities of the consolidated VIE at fair value, including reporting the VIE's mortgage loans in securitized residential mortgage loans held for investment and the asset-backed securities issued by the VIE in securitized nonrecourse debt. We eliminate from this debt the value of the certificates that we retained. As of September 30, 2024, the net reported value of the consolidated VIE assets and liabilities was $7 million, which represents the aggregate fair value of our retained interests from the VIE, including accrued interest, as of that date.

We report the net financial results from consolidated VIEs in income (loss) on consolidated VIEs in our condensed consolidated statements of operations, which also equals the income (loss) from our retained interests in any given period, based on the interest income and change in fair value for those interests. As of September 30, 2024, none of the loans in the securitization trust were greater than ninety days delinquent or in nonaccrual status.

The following table details the components of income (loss) on consolidated VIEs for the three and nine months ended September 30, 2024. There was no activity prior to these periods.

Income (loss) on consolidated VIEs

(In thousands)	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Net change in fair value of VIE assets and liabilities reported under the fair value option	$ 265	$ 265
Interest income	4,039	4,039
Interest expense	(3,682)	(3,682)
Other expenses	(157)	(157)
Total income (loss) on consolidated VIEs	$ 465	$ 465

Radian Mortgage Capital completed its second private label prime jumbo securitization in October 2024. This securitization involved the transfer of a portfolio of residential mortgage loans to a newly created VIE and the private offering and issuance of $423 million of unregistered mortgage pass-through certificates collateralized by the cash flows of the underlying residential mortgage loans. At closing, we retained an interest in certain of the certificates, with an initial fair value of $6 million. Based on our ongoing involvement with the VIE, we expect to consolidate the results of this newly created securitization trust.

As part of our overall business strategy, we expect to continue to expand Radian Mortgage Capital's use of securitizations in the future. It is possible that we may consolidate additional VIEs in future periods, depending on the facts and circumstances regarding our involvement with each VIE. We continuously analyze entities in which we hold variable interests, including when there is a reconsideration event, to determine whether our consolidation conclusions regarding any VIE should change.

8. Reinsurance

In our mortgage insurance and title insurance businesses, we use reinsurance as part of our risk distribution strategy, including to manage our capital position and risk profile. The reinsurance arrangements for our mortgage insurance business include premiums ceded under the QSR Program and the XOL Program. The amount of credit that we receive under the PMIERs financial requirements for our third-party reinsurance transactions is subject to approval and regular review by the GSEs.

The effect of all of our reinsurance programs on our net income is as follows.

Reinsurance impacts on net premiums written and earned

	Net Premiums Written				Net Premiums Earned			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023	2024	2023	2024	2023
Direct								
Mortgage insurance	$ 255,422	$ 247,941	$ 758,245	$ 736,173	$ 263,509	$ 258,207	$ 785,634	$ 771,251
Title insurance	4,079	3,561	9,030	8,246	4,079	3,561	9,030	8,246
Total direct	259,501	251,502	767,275	744,419	267,588	261,768	794,664	779,497
Ceded								
Mortgage insurance [1]	(21,774)	(12,771)	(60,075)	(57,044)	(28,365)	(21,406)	(81,673)	(92,268)
Title insurance	(90)	(100)	(270)	(300)	(90)	(100)	(270)	(300)
Total ceded [1]	(21,864)	(12,871)	(60,345)	(57,344)	(28,455)	(21,506)	(81,943)	(92,568)
Total net premiums	$ 237,637	$ 238,631	$ 706,930	$ 687,075	$ 239,133	$ 240,262	$ 712,721	$ 686,929

(1)Net of profit commission, which is impacted by the level of ceded losses recoverable, if any, on reinsurance transactions. See Note 11 for additional information on our reserve for losses and reinsurance recoverable. The nine months ended September 30, 2023, include a $21 million increase in ceded premiums related to the tender offers that were completed in the second quarter of 2023 by Eagle Re 2019-1 Ltd. and Eagle Re 2020-1 Ltd. to purchase the mortgage insurance-linked notes issued by such entities.

Other reinsurance impacts

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Ceding commissions earned [1]	$ 6,672	$ 5,650	$ 19,130	$ 15,953
Ceded losses [2]	3,161	1,289	8,360	(1,095)

(1)Ceding commissions earned are related to mortgage insurance and are included as an offset to expenses primarily in other operating expenses in our condensed consolidated statements of operations. Deferred ceding commissions of $16 million and $20 million are included in other liabilities on our condensed consolidated balance sheets at September 30, 2024, and December 31, 2023, respectively.
(2)Ceded losses are primarily related to mortgage insurance.

QSR Program

2024, 2023 and 2022 QSR Agreements

Radian Guaranty entered into each of the 2024, 2023 and 2022 QSR Agreements with panels of third-party reinsurance providers to cede a contractual quota share percentage of certain of our NIW, which includes both Recurring Premium Policies and Single Premium Policies (as set forth in the table below), subject to certain conditions, including a limitation for the 2024 QSR Agreement on ceded RIF equal to $4.3 billion over the term of the agreement.

Radian Guaranty receives a ceding commission for ceded premiums earned pursuant to these transactions. Radian Guaranty is also entitled to receive a profit commission quarterly, subject to a final annual re-calculation, provided that the loss ratio on the loans covered under the agreements generally remains below the applicable prescribed thresholds. Losses on the ceded risk up to these thresholds reduce Radian Guaranty's profit commission on a dollar-for-dollar basis.

As of July 1, 2024, Radian Guaranty is no longer ceding NIW under the 2023 QSR Agreement. As of July 1, 2023, Radian Guaranty is no longer ceding NIW under the 2022 QSR Agreement.

Single Premium QSR Program

Radian Guaranty entered into each of the 2016 Single Premium QSR Agreement, 2018 Single Premium QSR Agreement and 2020 Single Premium QSR Agreement with panels of third-party reinsurers to cede a contractual quota share percentage of our Single Premium NIW as of the effective date of each agreement (as set forth in the table below), subject to certain conditions.

Radian Guaranty receives a ceding commission for ceded premiums written pursuant to these transactions. Radian Guaranty also receives a profit commission annually, provided that the loss ratio on the loans covered under the agreement generally remains below the applicable prescribed thresholds. Losses on the ceded risk up to these thresholds reduce Radian Guaranty's profit commission on a dollar-for-dollar basis.

As of January 1, 2022, Radian Guaranty is no longer ceding NIW under the Single Premium QSR Program.

The following table sets forth additional details regarding the QSR Program, with RIF ceded as of the dates indicated.

QSR Program [1]

	2024 QSR Agreement	2023 QSR Agreement	2022 QSR Agreement	2020 Single Premium QSR Agreement	2018 Single Premium QSR Agreement	2016 Single Premium QSR Agreement
NIW policy dates	Jul 1, 2024-Jun 30, 2025	Jul 1, 2023-Jun 30, 2024	Jan 1, 2022-Jun 30, 2023	Jan 1, 2020-Dec 31, 2021	Jan 1, 2018-Dec 31, 2019	Jan 1, 2012-Dec 31, 2017
Effective date	Jul 1, 2024	Jul 1, 2023	Jul 1, 2022	Jan 1, 2020	Jan 1, 2018	Jan 1, 2016
Scheduled termination date	Jun 30, 2035	Jun 30, 2034	Jun 30, 2033	Dec 31, 2031	Dec 31, 2029	Dec 31, 2027
Optional termination date [2]	Jul 1, 2028	Jul 1, 2027	Jul 1, 2026	Jan 1, 2024	Jan 1, 2022	Jan 1, 2020
Quota share %	25%	22.5%	20%	65%	65%	18% - 57%
Ceding commission %	20%	20%	20%	25%	25%	25%
Profit commission %	Up to 59%	Up to 55%	Up to 59%	Up to 56%	Up to 56%	Up to 55%
(In millions)	September 30, 2024					
RIF ceded	$ 834	$ 2,638	$ 4,178	$ 1,587	$ 680	$ 904
(In millions)	December 31, 2023					
RIF ceded	$ —	$ 1,366	$ 4,454	$ 1,783	$ 739	$ 982

(1) Excludes the 2012 QSR Agreements, for which RIF ceded is no longer material.
(2) Radian Guaranty has the option, based on certain conditions and subject to a termination fee, to terminate any of the agreements at the end of any calendar quarter on or after the applicable optional termination date. If Radian Guaranty exercises this option in the future, it would result in Radian Guaranty reassuming the related RIF in exchange for a net payment to the reinsurers calculated in accordance with the terms of the applicable agreement. Radian Guaranty also may terminate any of the agreements prior to the scheduled termination date under certain circumstances, including if one or both of the GSEs no longer grant full PMIERs credit for the reinsurance.

XOL Program

Mortgage Insurance-linked Notes

Radian Guaranty has entered into fully collateralized reinsurance arrangements with the Eagle Re Issuers, as described below. For the respective coverage periods, Radian Guaranty retains the first-loss layer of aggregate losses, as well as any losses in excess of the outstanding reinsurance coverage amounts. The Eagle Re Issuers provide second layer coverage up to the outstanding coverage amounts. For each of these reinsurance arrangements, the Eagle Re Issuers financed their coverage by issuing mortgage insurance-linked notes to eligible capital markets investors in unregistered private offerings.

The aggregate excess-of-loss reinsurance coverage for these arrangements decreases over the maturity period of the mortgage insurance-linked notes (either a 10-year or 12.5-year period depending on the transaction) as the principal balances of the underlying covered mortgages decrease and as any claims are paid by the applicable Eagle Re Issuer or the mortgage

insurance is canceled. Radian Guaranty has rights to terminate the reinsurance agreements upon the occurrence of certain events, including an optional call feature that provides Radian Guaranty the right to terminate the transaction on or after the optional call date (5 or 7 years after the issuance of the mortgage insurance-linked notes depending on the transaction) and a right to exercise an optional clean-up call if the outstanding principal amount of the related mortgage insurance-linked notes falls below 10% of the initial coverage level or principal balance, depending on the transaction, of the related mortgage insurance-linked notes.

Under each of the reinsurance agreements, the outstanding reinsurance coverage amount will begin amortizing after an initial period in which a target level of credit enhancement is obtained and will stop amortizing if certain thresholds, or triggers, are reached, including a delinquency trigger event based on an elevated level of delinquencies as defined in the related mortgage insurance-linked notes transaction agreements.

Any remaining mortgage insurance-linked notes issued by Eagle Re 2020-1 Ltd. were paid in full in March 2024, with no material impact to the Company. As a result, Eagle Re 2020-1 Ltd. is no longer providing reinsurance coverage to Radian Guaranty.

Traditional Reinsurance

For the respective coverage periods under traditional XOL reinsurance agreements, Radian Guaranty retains the first-loss layer of aggregate losses, as well as any losses in excess of the outstanding reinsurance coverage amounts. The reinsurers provide second layer coverage up to the outstanding coverage amounts.

The 2023 XOL Agreement is scheduled to terminate September 30, 2033. Radian Guaranty has the option, based upon certain conditions, to terminate the agreement as of September 30, 2028, or at the end of any calendar quarter thereafter, which would result in Radian Guaranty reassuming the related RIF. In the event Radian Guaranty does not exercise its right to terminate the agreement on September 30, 2028, the monthly premium rate will increase from the original monthly premium.

The following tables set forth additional details regarding the XOL Program, with RIF, remaining coverage and first layer retention as of the dates indicated.

XOL Program

	Mortgage Insurance-linked Notes [1]			Traditional Reinsurance
(In millions)	Eagle Re 2023-1 Ltd.	Eagle Re 2021-2 Ltd.	Eagle Re 2021-1 Ltd. [2]	2023 XOL Agreement
Issued	October 2023	November 2021	April 2021	October 2023
NIW policy dates	Apr 1, 2022- Dec 31, 2022	Jan 1, 2021- Jul 31, 2021	Aug 1, 2020- Dec 31, 2020	Oct 1, 2021- Mar 31, 2022
Initial RIF	$ 8,782	$ 10,758	$ 11,061	$ 8,002
Initial coverage	353	484	498	246
Initial first layer retention	287	242	221	240
(In millions)	September 30, 2024			
RIF	$ 8,139	$ 6,611	$ 5,267	$ 7,067
Remaining coverage	344	274	178	184
First layer retention	286	241	221	240
(In millions)	December 31, 2023			
RIF	$ 8,659	$ 7,651	$ 6,227	$ 7,814
Remaining coverage	353	355	250	226
First layer retention	287	242	221	240

(1)Excludes Eagle Re 2020-1 Ltd., which as further discussed above, was terminated in March 2024.
(2)Radian Group purchased $45 million of Eagle Re 2021-1 Ltd. outstanding principal amounts of the respective mortgage insurance-linked notes issued in connection with that reinsurance transaction. On our condensed consolidated balance sheet at September 30, 2024, these notes are included either in fixed-maturities available for sale or, if included in our securities lending program, in other assets. See Notes 5 and 6 for additional information.

The Eagle Re Issuers are not subsidiaries or affiliates of Radian Guaranty. Based on the accounting guidance that addresses VIEs, we have not consolidated any of the assets and liabilities of the Eagle Re Issuers in our financial statements, because Radian does not have: (i) the power to direct the activities that most significantly affect the Eagle Re Issuers' economic performances or (ii) the obligation to absorb losses or the right to receive benefits from the Eagle Re Issuers that potentially could be significant to the Eagle Re Issuers. See Note 2 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for more information on our accounting treatment of VIEs.

The amount of monthly reinsurance premiums ceded to the Eagle Re Issuers will fluctuate due to changes in one-month SOFR and changes in money market rates that affect investment income collected on the assets in the reinsurance trusts. As the reinsurance premium will vary based on changes in these rates, we concluded that the reinsurance agreements contain embedded derivatives, which we have accounted for separately as freestanding derivatives and recorded in other assets or other liabilities on our condensed consolidated balance sheets. Changes in the fair value of these embedded derivatives are recorded in net gains (losses) on investments and other financial instruments in our condensed consolidated statements of operations. See Note 5 herein and Note 5 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for more information on our fair value measurements of financial instruments, including our embedded derivatives.

In the event an Eagle Re Issuer is unable to meet its future obligations to us, if any, our insurance subsidiaries would be liable to make claims payments to our policyholders. In the event that all of the assets in the reinsurance trust (consisting of U.S. government money market funds, cash or U.S. Treasury securities) become worthless and the Eagle Re Issuer is unable to make its payments to us, our maximum potential loss would be the amount of mortgage insurance claim payments for losses on the insured policies, net of the aggregate reinsurance payments already received, up to the full aggregate excess-of-loss reinsurance coverage amount. In the same scenario, the related embedded derivative would no longer have value.

The following table presents the total VIE assets and liabilities of the Eagle Re Issuers as of the dates indicated.

Total VIE assets and liabilities of Eagle Re Issuers [1]

(In thousands)	September 30, 2024	December 31, 2023
Eagle Re 2023-1 Ltd.	$ 344,396	$ 353,077
Eagle Re 2021-2 Ltd.	273,905	354,947
Eagle Re 2021-1 Ltd.	177,655	250,268
Eagle Re 2020-1 Ltd.	—	6,617
Total	$ 795,956	$ 964,909

(1)Assets held by the Eagle Re Issuers are required to be invested in U.S. government money market funds, cash or U.S. Treasury securities. Liabilities of the Eagle Re Issuers consist of their mortgage insurance-linked notes, as described above. Assets and liabilities are equal to each other for each of the Eagle Re Issuers.

Other Collateral

Although we use reinsurance as one of our risk management tools, reinsurance does not relieve us of our obligations to our policyholders. In the event the reinsurers are unable to meet their obligations to us, our insurance subsidiaries would be liable for any defaulted amounts. However, consistent with the PMIERs reinsurer counterparty collateral requirements, the third-party reinsurers to Radian Guaranty have established trusts to help secure our potential cash recoveries. In addition to the total VIE assets of the Eagle Re Issuers discussed above, the amount held in reinsurance trusts was $304 million as of September 30, 2024, compared to $274 million as of December 31, 2023.

In addition, primarily for the Single Premium QSR Program, Radian Guaranty holds amounts related to ceded premiums written to collateralize the reinsurers' obligations, which is reported in reinsurance funds withheld on our condensed consolidated balance sheets. Any loss recoveries and profit commissions paid to Radian Guaranty related to the Single Premium QSR Program are expected to be realized from this account.

See Note 8 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for more information about our reinsurance transactions.

9. Other Assets

The following table shows the components of other assets as of the dates indicated.

Other assets

(In thousands)	September 30, 2024	December 31, 2023
Loaned securities (Notes 5 and 6)	$ 141,614	$ 203,693
Company-owned life insurance [1]	109,980	106,417
Prepaid reinsurance premiums [2]	78,845	100,443
Other	54,227	49,252
Total other assets	$ 384,666	$ 459,805

(1)We are the beneficiary of insurance policies on the lives of certain of our current and past officers and employees. The balances reported in other assets reflect the amounts that could be realized upon surrender of the insurance policies as of each respective date.
(2)Relates primarily to our Single Premium QSR Program.

10. Income Taxes

We use the estimated effective tax rate method to calculate income taxes in interim periods. Certain items, including those deemed to be unusual, infrequent or that cannot be reliably estimated, are excluded from the estimated annual tax rate. In these cases, the actual tax expense or benefit is reported in the same period as the related item.

As of September 30, 2024, and December 31, 2023, our current federal income tax liability was $23 million and $21 million, respectively, which primarily relates to applying the accounting standard for uncertainty in income taxes and is included as a component of other liabilities on our condensed consolidated balance sheets.

As a mortgage guaranty insurer, we are eligible for a tax deduction, subject to certain limitations, under Internal Revenue Code Section 832(e) for amounts required by state law or regulation to be set aside in statutory contingency reserves. The deduction is allowed only to the extent that, in conjunction with quarterly federal tax payment due dates, we purchase non-interest bearing U.S. Mortgage Guaranty Tax and Loss Bonds issued by the U.S. Department of the Treasury in an amount equal to the tax benefit derived from deducting any portion of our statutory contingency reserves. As of September 30, 2024, and December 31, 2023, we held $870 million and $750 million of these bonds, respectively, which are included as prepaid federal income taxes on our condensed consolidated balance sheets. The corresponding deduction of our statutory contingency reserves resulted in the recognition of a net deferred tax liability.

For additional information on our income taxes, including our accounting policies, see Notes 2 and 10 of Notes to Consolidated Financial Statements in our 2023 Form 10-K.

11. Losses and LAE

Our reserve for losses and LAE consisted of the following as of the dates indicated.

Reserve for losses and LAE

(In thousands)	September 30, 2024	December 31, 2023
Primary case	$ 337,025	$ 344,235
Primary IBNR and LAE	11,844	12,177
Pool and other	8,085	8,511
Mortgage insurance	356,954	364,923
Title insurance	6,271	5,225
Total reserve for losses and LAE	$ 363,225	$ 370,148

Provision for losses consisted of the following.

Provision for losses

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Mortgage insurance	$ 6,346	$ (8,257)	$ (2,309)	$ (46,744)
Title insurance	543	122	419	48
Total provision for losses	$ 6,889	$ (8,135)	$ (1,890)	$ (46,696)

For the periods indicated, the following table presents information relating to our mortgage insurance reserve for losses, including our IBNR reserve and LAE.

Rollforward of mortgage insurance reserve for losses

(In thousands)	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Balance at beginning of period	$ 364,923	$ 420,955
Less: Reinsurance recoverables [1]	25,074	24,727
Balance at beginning of period, net of reinsurance recoverables	339,849	396,228
Add: Losses and LAE incurred in respect of default notices reported and unreported in:		
Current year [2]	151,497	130,740
Prior years	(153,806)	(177,483)
Total incurred	(2,309)	(46,743)
Deduct: Paid claims and LAE related to:		
Current year [2]	359	204
Prior years	11,937	10,712
Total paid	12,296	10,916
Balance at end of period, net of reinsurance recoverables	325,244	338,569
Add: Reinsurance recoverables [1]	31,710	23,269
Balance at end of period	$ 356,954	$ 361,838

(1)Related to ceded losses recoverable, if any, on reinsurance transactions. See Note 8 for additional information.
(2)Related to underlying defaulted loans with a most recent default notice dated in the year indicated. For example, if a loan had defaulted in a prior year, but then subsequently cured and later re-defaulted in the current year, that default would be considered a current year default.

Reserve Activity

Incurred Losses

Total incurred losses are driven by: (i) case reserves established for new default notices, which are primarily impacted by both the number of new primary default notices received in the period and our related gross Default to Claim Rate and Claim Severity assumptions applied to those new defaults and (ii) reserve developments on prior period defaults, which are primarily impacted by changes to our prior Default to Claim Rate and Claim Severity assumptions applied to these loans.

New primary default notices totaled 36,568 for the nine months ended September 30, 2024, compared to 31,555 for the nine months ended September 30, 2023, representing an increase of 16%. We believe this increase in new primary defaults is mainly due to the natural seasoning of our insured portfolio given the increase in our IIF in recent years and not the result of deteriorating credit performance of the insured portfolio.

Our gross Default to Claim Rate assumption applied to new defaults was 8.0% as of both September 30, 2024, and September 30, 2023, based on our review of trends in Cures and claims paid for our default inventory and taking into consideration the risks and uncertainties associated with the current economic environment.

Our provision for losses during both the first nine months of 2024 and 2023 was positively impacted by favorable reserve development on prior year defaults, primarily as a result of more favorable trends in Cures than originally estimated. These Cures have been due primarily to favorable outcomes resulting from positive trends in home price appreciation, which has also contributed to a higher rate of claims that result in no ultimate loss to us and that are withdrawn by servicers as a result. These favorable observed trends for prior year default notices resulted in reductions in our Default to Claim Rate and other reserve assumptions in both 2024 and 2023, including our Claim Severity assumptions in 2024. As the remaining number of defaults has continued to decline, the magnitude of the impact to our provision for losses from reserve development on prior year defaults has declined as well.

Claims Paid

Total claims paid were materially unchanged for the nine months ended September 30, 2024, compared to the same period in 2023.

For additional information about our Reserve for Losses and LAE, including our accounting policies, see Notes 2 and 11 of Notes to Consolidated Financial Statements in our 2023 Form 10-K.

12. Borrowings and Financing Activities

As of the dates indicated, the carrying value of our debt, excluding our securitized nonrecourse debt related to consolidated VIEs as discussed in Note 7, was as follows.

Borrowings

($ in thousands)	Interest rate	September 30, 2024	December 31, 2023
Senior notes			
Senior Notes due 2024	4.500 %	$ —	$ 449,037
Senior Notes due 2025	6.625 %	—	522,343
Senior Notes due 2027	4.875 %	447,191	446,401
Senior Notes due 2029	6.200 %	617,527	—
Total senior notes		$ 1,064,718	$ 1,417,781

($ in thousands)	Average interest rate [1]	September 30, 2024	December 31, 2023
Secured borrowings			
FHLB advances			
FHLB advances due 2024 [2]	4.776 %	$ 31,958	$ 72,871
FHLB advances due 2025	2.340 %	12,684	12,684
FHLB advances due 2026	4.469 %	1,835	1,835
FHLB advances due 2027	2.562 %	7,887	7,887
Total FHLB advances		54,364	95,277
Mortgage loan financing facilities	6.507 %	497,552	24,199
Total secured borrowings		$ 551,916	$ 119,476

(1)As of September 30, 2024. See "FHLB Advances" and "Mortgage Loan Financing Facilities" below for more information.
(2)Includes 5.602% as of December 31, 2023, which resets daily based on changes in SOFR.

Interest expense consisted of the following.

Interest expense

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Senior notes	$ 20,945	$ 20,320	$ 64,229	$ 60,911
Mortgage loan financing facilities	7,500	1,609	14,045	2,086
Loss on extinguishment of debt	—	—	4,275	—
FHLB advances	538	1,039	2,027	2,395
Revolving credit facility	408	310	925	1,020
Other	—	4	—	114
Total interest expense	$ 29,391	$ 23,282	$ 85,501	$ 66,526

Senior Notes

Senior Notes due 2029. In March 2024, we issued $625 million aggregate principal amount of Senior Notes due 2029 and received net proceeds of $617 million. These notes mature on May 15, 2029, and bear interest at a rate of 6.200% per annum, payable semi-annually on May 15 and November 15 of each year, with interest payments commencing on November 15, 2024.

We have the option to redeem these notes, in whole or in part, at any time, or from time to time, prior to April 15, 2029 (the date that is one month prior to the maturity date of the notes) (the "Par Call Date"), at a redemption price equal to the greater of (a) the make-whole amount, which is the sum of the present values of the remaining scheduled payments of principal and interest in respect of the notes to be redeemed discounted to the redemption date (assuming the Senior Notes due 2029 matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable treasury rate plus 30 basis points less interest accrued to the redemption date, and (b) 100% of the aggregate principal amount of the notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to, but excluding, the redemption date. At any time on or after the Par Call Date, we may, at our option, redeem the notes in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to, but excluding, the redemption date.

The indenture governing the Senior Notes due 2029 contains covenants customary for securities of this nature, including covenants related to the payments of the notes, reports to be provided, compliance certificates to be issued and the ability to modify the covenants. Additionally, the indenture includes covenants restricting us from encumbering the capital stock of a designated subsidiary (as defined in the indenture for the notes) or disposing of any capital stock of any designated subsidiary unless either all of the stock is disposed of for cash or property which is at least equal to the fair market value of the stock or we retain more than 80% of the stock.

Extinguishment of Debt

Redemption of Senior Notes due 2025. In March 2024, we exercised our right to redeem all of our outstanding Senior Notes due 2025 in the aggregate principal amount of $525 million, at a redemption price of 100.4% of the principal amount plus accrued and unpaid interest. We funded the redemption with $527 million in cash (which included accrued and unpaid interest due on the redeemed notes). This redemption resulted in a loss on extinguishment of debt of $4 million during the three months ended March 31, 2024, which is included in interest expense in our condensed consolidated statements of operations.

Redemption of Senior Notes due 2024. In September 2024, we redeemed the outstanding aggregate principal amount of $450 million of our outstanding Senior Notes due 2024. We funded the redemption with $460 million in cash (which included accrued and unpaid interest due on the redeemed notes).

Following these redemptions, there were no remaining principal amounts outstanding on the Senior Notes due 2025 or the Senior Notes due 2024 at September 30, 2024.

FHLB Advances

The principal balance of the FHLB advances is required to be collateralized by eligible assets with a fair value that must be maintained generally within a minimum range of 103% to 114% of the amount borrowed, depending on the type of assets pledged. Our investments include securities totaling $57 million and $101 million at September 30, 2024, and December 31, 2023, respectively, which serve as collateral for our FHLB advances to satisfy this requirement.

Mortgage Loan Financing Facilities

Radian Mortgage Capital has entered into the Master Repurchase Agreements to finance the acquisition of residential mortgage loans and related mortgage loan assets. Pursuant to the Master Repurchase Agreements, Radian Mortgage Capital may from time to time sell, and later repurchase, certain residential mortgage loan assets. The maximum borrowing amounts under the JP Morgan Master Repurchase Agreement, the Goldman Sachs Master Repurchase Agreement and the BMO Master Repurchase Agreement are $150 million $200 million and $400 million, respectively. The JP Morgan Master Repurchase Agreement, the Goldman Sachs Master Repurchase Agreement and the BMO Master Repurchase Agreement are currently scheduled to expire on January 27, 2025, May 31, 2025 and September 24, 2025, respectively.

The borrowings under the Master Repurchase Agreements bear a variable interest rate based on one-month SOFR or compounded SOFR, depending on the agreement, plus an applicable margin, with interest payable monthly. Principal is due upon the earliest of the sale or disposition of the related mortgage loans, the occurrence of certain default or acceleration events or at the termination date of the applicable Master Repurchase Agreement.

Funds advanced under the Master Repurchase Agreements generally will be calculated as a percentage of the unpaid principal balance or fair value of the residential mortgage loan assets, depending on the credit characteristics of the loans being purchased. Of our residential mortgage loans held for sale, $528 million and $31 million served as collateral for the Master Repurchase Agreements to support the funds advanced at September 30, 2024, and December 31, 2023, respectively.

Revolving Credit Facility

Radian Group has in place a $275 million unsecured revolving credit facility with a syndicate of bank lenders. As of September 30, 2024, there were no amounts outstanding under this facility.

Debt Covenants and Other Information

As of September 30, 2024, we are in compliance with all of our debt covenants, including for our senior notes. For more information regarding our borrowings and financing activities, including certain terms, covenants and Parent Guarantees provided by Radian Group in connection with particular borrowings, see Note 12 of Notes to Consolidated Financial Statements in our 2023 Form 10-K.

13. Commitments and Contingencies

Legal Proceedings

We are routinely involved in a number of legal actions and proceedings, including reviews, audits, inquiries, information-gathering requests and investigations by various regulatory entities, as well as litigation and other disputes arising in the ordinary course of our business. Legal actions and proceedings could result in adverse judgments, settlements, fines, injunctions, restitutions or other relief that could require significant expenditures or have other effects on our business.

Management believes, based on current knowledge and after consultation with counsel, that the outcome of currently pending or threatened actions will not have a material adverse effect on our consolidated financial condition or results of operations. The outcome of legal actions and proceedings is inherently uncertain, and it is possible that any one or more matters could have an adverse effect on our liquidity, financial condition or results of operations for any particular period.

See Note 13 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for further information regarding our commitments and contingencies and our accounting policies for contingencies.

14. Capital Stock

Shares of Common Stock

The following table shows the year-to-date changes in common stock outstanding for each of the periods indicated.

Common stock outstanding

(In thousands)	September 30, 2024	December 31, 2023
Balance at beginning of period	153,179	157,056
Shares repurchased under share repurchase programs	(4,801)	(5,264)
Issuance of common stock under incentive and benefit plans, net of shares withheld for employee taxes	1,398	1,387
Balance at end of period	149,776	153,179

Share Repurchase Activity

From time to time, Radian Group's board of directors approves share repurchase programs authorizing the Company to repurchase Radian Group common stock in the open market or in privately negotiated transactions, based on market and business conditions, stock price and other factors. Radian generally operates its share repurchase programs pursuant to a trading plan under Rule 10b5-1 of the Exchange Act, which provides for share repurchases at predetermined price targets and permits the Company to purchase shares when it may otherwise be precluded from doing so.

In January 2023, Radian Group's board of directors approved a share repurchase program authorizing the Company to spend up to $300 million, excluding commissions, to repurchase Radian Group common stock in the open market or in privately negotiated transactions, based on market and business conditions, stock price and other factors. In May 2024, Radian Group's board of directors approved an extension of the duration of this program to June 2026, as well as a $600 million increase in authorization for this program, bringing the total authorization to repurchase shares up to $900 million, excluding commissions. Radian has implemented a trading plan for this share repurchase program under Rule 10b5-1 of the Exchange Act.

During the three and nine months ended September 30, 2024, the Company purchased 1.5 million and 4.8 million shares at an average price of $33.61 and $31.04 per share, including commissions, respectively, pursuant to the share repurchase program. As of September 30, 2024, purchase authority of up to $618 million remained available under this program.

The Inflation Reduction Act of 2022 imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. All dollar amounts presented in this report related to our share repurchases and our share repurchase authorizations exclude such excise taxes, to the extent applicable, unless otherwise indicated.

Dividends and Dividend Equivalents

In February 2024, Radian Group's board of directors authorized an increase in the Company's quarterly dividend from $0.225 to $0.245 per share, beginning with the dividend declared and paid in the first quarter of 2024.

The following table presents the amount of dividends declared and paid, on a per share basis, for each quarter and annual period as indicated.

Dividends declared and paid

	2024	2023
Quarter ended		
March 31	$ 0.245	$ 0.225
June 30	0.245	0.225
September 30	0.245	0.225
December 31	N/A	0.225
Total annual dividends per share declared and paid	$ 0.735	$ 0.900

N/A – Not applicable

Dividend equivalents are accrued on RSUs when dividends are declared on the Company's common stock and are typically paid upon vesting of the shares. See Note 17 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for information about our dividend equivalents on RSU awards.

Share-Based and Other Compensation Programs

During the second quarter of 2024, certain executive and non-executive officers were granted time-vested and performance-based RSUs to be settled in common stock. The maximum payout of performance-based RSUs at the end of the three-year performance period is 200% of a grantee's target number of RSUs granted. The vesting of the performance-based RSUs granted to certain executive and non-executive officers is based upon the cumulative growth in Radian's book value per share over a three-year performance period, adjusted for certain defined items, including our total shareholder return relative to certain peers, and, with the exception of certain retirement-eligible employees, continued service through the vesting date. Performance-based RSUs granted to executive officers are subject to a one-year post-vesting holding period.

The time-vested RSU awards granted to certain executive and non-executive officers in the second quarter of 2024 generally vest in pro rata installments on each of the first three anniversaries of the grant date. In addition, time-vested RSU awards, which are generally subject to one-year cliff vesting, were also granted to non-employee directors. See Note 17 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional information regarding the Company's share-based and other compensation programs.

Information with regard to RSUs to be settled in stock for the periods indicated is as follows.

Rollforward of RSUs

	Performance-Based		Time-Vested	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2023 [1]	2,970,874	$ 18.28	1,786,615	$ 18.16
Granted [2]	484,480	29.32	410,733	31.46
Performance adjustment [3]	557,957	—	—	—
Vested [4]	(1,344,579)	14.50	(566,494)	20.62
Forfeited	(28,423)	27.00	(12,999)	27.54
Outstanding, September 30, 2024 [1]	2,640,309	$ 22.57	1,617,855	$ 20.60

(1)Outstanding RSUs represent shares that have not yet been issued because not all conditions necessary to earn the right to benefit from the instruments have been satisfied. For performance-based awards, the final number of RSUs distributed depends on: (i) the cumulative growth in Radian's book value per share adjusted for certain defined items over the respective three-year performance period and, for the performance-based RSUs granted in 2023 and 2024, a modifier based on a comparison of our total shareholder return to the total shareholder return of certain of our peers and (ii) with the exception of certain retirement-eligible employees, continued service through the vesting date, which could result in changes to the number of vested RSUs.
(2)For performance-based RSUs, amount represents the number of target shares at grant date.
(3)For performance-based RSUs, amount represents the difference between the number of shares vested at settlement, which can range from 0 to 200% of target depending on results over the applicable performance periods, and the number of target shares at the grant date.
(4)Represents amounts vested during the period, including the impact of performance adjustments for performance-based awards.

15. Accumulated Other Comprehensive Income (Loss)

The following tables show the rollforward of accumulated other comprehensive income (loss) as of the periods indicated.

Rollforward of accumulated other comprehensive income (loss)

(In thousands)	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Balance at beginning of period	$ (477,610)	$ (100,299)	$ (377,311)	$ (418,799)	$ (87,948)	$ (330,851)
Other comprehensive income (loss)						
Unrealized holding gains (losses) on investments arising during the period for which an allowance for expected credit losses has not been recognized	183,113	38,454	144,659	117,633	24,703	92,930
Less: Reclassification adjustment for net gains (losses) on investments included in net income [1]						
Net realized gains (losses) on disposals and non-credit related impairment losses	567	119	448	(6,188)	(1,299)	(4,889)
Net unrealized gains (losses) on investments	182,546	38,335	144,211	123,821	26,002	97,819
Other adjustments to comprehensive income (loss), net	—	—	—	(86)	(18)	(68)
Other comprehensive income (loss)	182,546	38,335	144,211	123,735	25,984	97,751
Balance at end of period	$ (295,064)	$ (61,964)	$ (233,100)	$ (295,064)	$ (61,964)	$ (233,100)

(In thousands)	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Balance at beginning of period	$ (536,312)	$ (112,626)	$ (423,686)	$ (578,228)	$ (121,429)	$ (456,799)
Other comprehensive income (loss)						
Unrealized holding gains (losses) on investments arising during the period for which an allowance for expected credit losses has not been recognized	(126,080)	(26,477)	(99,603)	(94,777)	(19,903)	(74,874)
Less: Reclassification adjustment for net gains (losses) on investments included in net income [1]						
Net realized gains (losses) on disposals and non-credit related impairment losses	(2,794)	(587)	(2,207)	(13,180)	(2,768)	(10,412)
Net unrealized gains (losses) on investments	(123,286)	(25,890)	(97,396)	(81,597)	(17,135)	(64,462)
Other adjustments to comprehensive income, net	—	—	—	227	48	179
Other comprehensive income (loss)	(123,286)	(25,890)	(97,396)	(81,370)	(17,087)	(64,283)
Balance at end of period	$ (659,598)	$ (138,516)	$ (521,082)	$ (659,598)	$ (138,516)	$ (521,082)

(1)Included in net gains (losses) on investments and other financial instruments in our condensed consolidated statements of operations.

16. Statutory Information

Our insurance subsidiaries' statutory net income (loss) for the periods indicated, and statutory policyholders' surplus as of the dates indicated, were as follows.

Statutory net income (loss)

(In thousands)	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Radian Guaranty	$ 588,122	$ 599,781
Other mortgage insurance subsidiaries	(1,295)	(383)
Radian Title Insurance	1,438	1,306

Statutory policyholders' surplus

(In thousands)	September 30, 2024	December 31, 2023
Radian Guaranty	$ 691,147	$ 619,584
Other mortgage insurance subsidiaries	16,567	17,444
Radian Title Insurance	42,379	41,108

Under state insurance regulations, Radian Guaranty is required to maintain minimum surplus levels and, in certain states, a maximum ratio of net RIF relative to statutory capital, or Risk-to-capital. The most common Statutory RBC Requirement is that a mortgage insurer's Risk-to-capital may not exceed 25 to 1. In certain of the RBC States, a mortgage insurer must satisfy an MPP Requirement. Radian Guaranty was in compliance with all applicable Statutory RBC Requirements and MPP Requirements in each of the RBC States as of September 30, 2024. Radian Guaranty's Risk-to-capital was 10.3:1 and 10.4:1 as of September 30, 2024, and December 31, 2023, respectively. For purposes of the Risk-to-capital requirements imposed by certain states, statutory capital is defined as the sum of statutory policyholders' surplus plus statutory contingency reserves. Our other mortgage insurance and title insurance subsidiaries were also in compliance with all statutory and counterparty capital requirements as of September 30, 2024.

In addition, in order to be eligible to insure loans purchased by the GSEs, mortgage insurers such as Radian Guaranty must meet the GSEs' eligibility requirements, or PMIERs. At September 30, 2024, Radian Guaranty, an approved mortgage insurer under the PMIERs, was in compliance with the current PMIERs financial requirements.

State insurance regulations include various capital requirements and dividend restrictions based on our insurance subsidiaries' statutory financial position and results of operations. As of September 30, 2024, the amount of restricted net assets held by our consolidated insurance subsidiaries (which represents our equity investment in those insurance subsidiaries) totaled $4.7 billion of our consolidated net assets.

While all proposed dividends and distributions to stockholders must be filed with the Pennsylvania Insurance Department prior to payment, if a Pennsylvania domiciled insurer has positive unassigned surplus, such insurer can pay dividends or other distributions during any 12-month period in an aggregate amount less than or equal to the greater of: (i) 10% of the preceding year-end statutory policyholders' surplus or (ii) the preceding year's statutory net income, in each case without the prior approval of the Pennsylvania Insurance Department.

Based on its positive unassigned surplus balances during the first nine months of 2024, Radian Guaranty paid ordinary dividends totaling $485 million to Radian Group in the first nine months of 2024. Subsequent to the payment of these dividends, as of September 30, 2024, Radian Guaranty had positive unassigned surplus of $191 million.

For a full description of our compliance with statutory and other regulations for our mortgage insurance and title insurance businesses, including statutory capital requirements and dividend restrictions, see Note 16 of Notes to Consolidated Financial Statements in our 2023 Form 10-K.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The disclosures in this quarterly report are complementary to those made in our 2023 Form 10-K and should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in this report, as well as our audited financial statements, notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2023 Form 10-K.

The following analysis of our financial condition and results of operations for the three and nine months ended September 30, 2024, provides information that evaluates our financial condition as of September 30, 2024, compared with December 31, 2023, and our results of operations for the three and nine months ended September 30, 2024, compared to the same periods last year.

Certain terms and acronyms used throughout this report are defined in the Glossary of Abbreviations and Acronyms included as part of this report. In addition, investors should review the "Cautionary Note Regarding Forward-Looking Statements—Safe Harbor Provisions" herein, and "Item 1A. Risk Factors" in our 2023 Form 10-K for a discussion of those risks and uncertainties that have the potential to adversely affect our business, financial condition, results of operations, cash flows or prospects. Our results of operations for interim periods are not necessarily indicative of results to be expected for the full year or for any other period. See "Overview" below and Note 1 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information.

INDEX TO ITEM 2	Page
Overview	47
Key Factors Affecting Our Results	49
Mortgage Insurance Portfolio	49
Results of Operations—Consolidated	53
Results of Operations—Mortgage Insurance	58
Results of Operations—All Other	65
Liquidity and Capital Resources	65
Critical Accounting Estimates	70

Overview

We are a mortgage and real estate company with one reportable business segment—Mortgage Insurance.

Our Mortgage Insurance segment aggregates, manages and distributes U.S. mortgage credit risk for the benefit of mortgage lending institutions and mortgage credit investors, principally through private mortgage insurance on residential first-lien mortgage loans, and also offers other credit risk management solutions, including contract underwriting, to our customers.

Our other immaterial businesses are reported collectively as All Other and include our Mortgage Conduit, Title, Real Estate Services and Real Estate Technology businesses, which provide our existing and new customers with an array of products and services across the residential real estate and mortgage finance industries.

Current Operating Environment

As a mortgage and real estate company, our business results are subject to seasonal fluctuations impacting mortgage and real estate markets as well as macroeconomic conditions and specific events that impact the housing, housing finance and residential real estate markets and the credit performance of our mortgage insurance portfolio. Among others, these factors may include home prices and housing supply, inflationary pressures, interest rate changes, unemployment levels, the volume of mortgage originations and the availability of credit, national and regional economic conditions, legislative and regulatory developments and other events, including macroeconomic stresses and uncertainties resulting from global conflicts and other political and geopolitical events.

Consistent with the trends observed in recent periods, the economic and market conditions impacting our results for the first nine months of 2024 remained generally favorable. The current interest rate environment has benefited our Persistency Rates and net investment income yields, however, it has also contributed to reduced refinance volumes and NIW in our Mortgage Insurance business and lower transaction volumes for certain of our other businesses.

Private mortgage insurance industry volumes are impacted by total mortgage origination volumes and the mix between mortgage originations that are for home purchases versus refinancings of existing mortgages. Although it is difficult to project future volumes, recent industry forecasts project a total mortgage origination market for 2024 of approximately $1.7 trillion, which would represent an increase of approximately 17% compared to 2023, but a reduction compared to projections at the beginning of 2024. This decrease in projections for 2024 primarily relates to a change in the timing of interest rate decreases compared to expectations at the beginning of the year. The U.S. Federal Reserve reduced benchmark interest rates for the first time in approximately three years in September 2024, which was later than originally anticipated. The timing and magnitude of changes in the benchmark interest rate can affect mortgage interest rates and the overall size of the mortgage market. In light of updated projections, we now estimate that the private mortgage insurance market will be approximately $300 billion in 2024, which is the lower end of our expectations at the beginning of the year. In "Item 1A. Risk Factors" in our 2023 Form 10-K, see "*A decrease in the volume of mortgage originations could result in fewer opportunities for us to write new mortgage insurance business and conduct our homegenius businesses*" for more information.

While these macroeconomic conditions are expected to negatively impact the overall volume of mortgage transactions taking place, the higher interest rate environment is expected to continue to benefit our financial performance through elevated Persistency Rates, which is expected to benefit our level of IIF despite lower NIW, as well as through the recognition of higher net investment income. Further, the housing supply continues to be constrained, which we believe will continue to support home values and the high level of home price appreciation currently embedded in our insured portfolio of mortgages. We expect this will continue to benefit the credit performance of our mortgage insurance portfolio as a result of the increased level of embedded equity borrowers have in their homes, which has positively impacted our default and cure trends. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Current Operating Environment" in our 2023 Form 10-K for additional discussion of the primary factors affecting the current operating environment for our businesses.

Despite risks and uncertainties, we believe that mortgage industry fundamentals remain strong, including as a result of the improvements to the mortgage and real estate ecosystem since the great financial crisis in 2008, such as more stringent underwriting and product standards, higher-quality borrowers with strong credit profiles and strengthened mortgage loan servicing and government support to help borrowers stay in their homes.

Legislative and Regulatory Developments

We are subject to comprehensive regulation by both federal and state regulatory authorities. For a description of significant state and federal regulations and other requirements of the GSEs that are applicable to our businesses, as well as legislative and regulatory developments affecting the housing finance industry, see "Item 1. Business—Regulation" in our 2023 Form 10-K. Except as discussed below, there were no significant regulatory developments impacting our businesses from those discussed in our 2023 Form 10-K.

On August 21, 2024, the GSEs issued updates to the PMIERs ("PMIERs Updates") that refine the standards for Available Assets under the PMIERs, which include the most liquid assets of a mortgage insurer available to pay claims. While the PMIERs do not prohibit a mortgage insurer from holding any type of assets, the PMIERs Updates further limit the Available Asset credit that mortgage insurers receive under the PMIERs for certain asset types based on several factors, including, among others, asset class and credit rating. Under the PMIERs Updates, the impact of reductions in Available Asset credit resulting from the changes is being phased-in over a two-year period, with 25% of the calculated adjustment to be implemented as of March 31, 2025, 50% as of September 30, 2025, 75% as of March 31, 2026, and 100% as of September 30, 2026. We do not expect the PMIERs Updates to have a material impact on Radian Guaranty's capital position, its PMIERs cushion or its investment portfolio asset allocation strategy.

As part of the PMIERs Updates, the GSEs also announced that because the COVID-19 national emergency has ended, it would be eliminating the allowance for a reduction of the Minimum Required Asset factor under the PMIERs for COVID-19 Defaulted Loans. Effective March 31, 2025, COVID-19 Defaulted Loans will no longer qualify for the Disaster Related Capital Charge and will instead revert to the standard non-performing loan requirements of PMIERs. Although the Disaster Related Capital Charge is being eliminated for COVID-19 Defaulted Loans, it will continue to be available and apply to non-performing

loans backed by a property located in a FEMA Designated Area, subject to certain conditions, including FEMA Designated Areas associated with the recent hurricanes Beryl, Helene and Milton. As of the effective date of March 31, 2025, we expect the elimination of the Disaster Related Capital Charge for COVID-19 Defaulted Loans to increase Radian Guaranty's Minimum Required Assets by an immaterial amount.

See "Management's Discussion and Analysis—Liquidity and Capital Resources—Mortgage Insurance" for more information.

Key Factors Affecting Our Results

The key factors affecting our results are discussed in our 2023 Form 10-K. There have been no material changes to these key factors.

Mortgage Insurance Portfolio

New Insurance Written

We wrote $13.5 billion and $38.9 billion of primary new mortgage insurance in the three and nine months ended September 30, 2024, respectively, compared to $13.9 billion and $42.1 billion of NIW in the three and nine months ended September 30, 2023, respectively.

Our NIW decreased by 3% and 8% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023, due to a decline in private mortgage insurance penetration as a percentage of the overall mortgage origination market. According to industry estimates, total mortgage origination volume was higher for the three and nine months ended September 30, 2024, as compared to the comparable periods in 2023, due primarily to a small increase in mortgage refinance activity.

The following table provides selected information for the periods indicated related to our mortgage insurance NIW. For direct Single Premium Policies, NIW includes policies written on an individual basis (as each loan is originated) and on an aggregated basis (in which each individual loan in a group of loans is insured in a single transaction, typically after the loans have been originated).

NIW

($ in millions)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
NIW	$ 13,493	$ 13,922	$ 38,872	$ 42,076
Primary risk written	$ 3,389	$ 3,542	$ 9,889	$ 10,819
Average coverage percentage	25.1%	25.4%	25.4%	25.7%
NIW by loan purpose				
Purchases	95.6%	98.7%	97.0%	98.4%
Refinances	4.4%	1.3%	3.0%	1.6%
NIW by premium type				
Direct Monthly and Other Recurring Premiums	95.9%	96.0%	96.3%	95.9%
Direct single premiums	4.1%	4.0%	3.7%	4.1%
NIW by FICO score [1]				
>=740	69.5%	67.3%	68.8%	65.1%
680-739	24.8%	27.4%	25.7%	29.2%
620-679	5.7%	5.3%	5.5%	5.7%
<=619	0.0%	0.0%	0.0%	0.0%
NIW by LTV [2]				
95.01% and above	16.5%	16.5%	16.2%	17.4%
90.01% to 95.00%	37.1%	38.6%	38.2%	39.2%
85.01% to 90.00%	31.5%	30.2%	31.8%	29.5%
85.00% and below	14.9%	14.7%	13.8%	13.9%

(1)For loans with multiple borrowers, the percentage of NIW by FICO score represents the lowest of the borrowers' FICO scores at origination.
(2)LTV at origination.

Insurance and Risk in Force

Year of origination - IIF

($ in billions)	IIF as of:					
By vintage:	September 30, 2024		December 31, 2023		September 30, 2023	
2024	$ 37.6	13.7%	$ —	—%	$ —	—%
2023	47.2	17.2%	50.6	18.7%	40.9	15.2%
2022	56.0	20.4%	60.5	22.4%	61.5	22.8%
2021	56.6	20.6%	65.7	24.3%	68.7	25.5%
2020	36.4	13.2%	45.1	16.7%	47.7	17.7%
2019	12.6	4.6%	14.7	5.4%	15.4	5.7%
2009 - 2018	21.5	7.8%	25.7	9.6%	27.3	10.2%
2008 & Prior	6.8	2.5%	7.7	2.9%	8.0	2.9%
Total	$ 274.7	100.0%	$ 270.0	100.0%	$ 269.5	100.0%

Our IIF is the primary driver of the future premiums that we expect to earn over time. IIF increased to $274.7 billion at September 30, 2024, from $270.0 billion at December 31, 2023, reflecting the impact of our NIW offset by policy cancellations and amortization for the first nine months of 2024. Our IIF at September 30, 2024, increased 2% as compared to the same period last year.

Historically, there is a close correlation between interest rates and Persistency Rates. Higher interest rate environments generally decrease refinancings, which decrease the cancellation rate of our insurance and positively affect our Persistency Rates. As shown in the table below, our 12-month Persistency Rate at September 30, 2024, increased as compared to September 30, 2023. The increase in our Persistency Rate at September 30, 2024, was primarily attributable to decreased refinance activity due to increases in mortgage interest rates, as compared to the same period in the prior year.

As of September 30, 2024, 70% of our IIF had a mortgage note interest rate of 6.0% or less. Given the higher prevailing market mortgage interest rates, which, based on reported industry averages, now exceed these levels, we would expect a continued positive impact on our Persistency Rates. If refinance volume increases, we would expect the Persistency Rate for our portfolio to decrease, reducing the size of our IIF portfolio. See "*If the length of time that our mortgage insurance policies remain in force declines, it could result in a decrease in our future revenues*" under "Item 1A. Risk Factors" in our 2023 Form 10-K for more information.

Throughout this report, unless otherwise noted, RIF is presented on a gross basis and includes the amount ceded under reinsurance. RIF and IIF for direct Single Premium Policies include policies written on an individual basis (as each loan is originated) and on an aggregated basis (in which each individual loan in a group of loans is insured in a single transaction, typically after the loans have been originated).

The following table provides selected information as of and for the periods indicated related to mortgage insurance IIF and RIF.

IIF and RIF

($ in millions)	September 30, 2024	December 31, 2023	September 30, 2023
Primary IIF	$ 274,721	$ 269,979	$ 269,511
Primary RIF	$ 71,834	$ 69,710	$ 69,298
Average coverage percentage	26.1%	25.8%	25.7%
Persistency Rate (12 months ended)	84.4%	84.0%	83.6%
Persistency Rate (quarterly, annualized) (1)	84.1%	85.8%	84.2%
Primary RIF by premium type			
Direct Monthly and Other Recurring Premiums	89.8%	88.9%	88.6%
Direct single premiums	10.2%	11.1%	11.4%
Primary RIF by FICO score (2)			
>=740	59.6%	58.5%	58.2%
680-739	33.0%	33.9%	34.0%
620-679	7.1%	7.3%	7.4%
<=619	0.3%	0.3%	0.4%
Primary RIF by LTV (3)			
95.01% and above	19.5%	18.6%	18.4%
90.01% to 95.00%	48.0%	48.2%	48.2%
85.01% to 90.00%	27.3%	27.1%	27.0%
85.00% and below	5.2%	6.1%	6.4%

(1)The Persistency Rate on a quarterly, annualized basis is calculated based on loan-level detail for the quarter ending as of the date shown. It may be impacted by seasonality or other factors, including the level of refinance activity during the applicable periods, and may not be indicative of full-year trends.
(2)For loans with multiple borrowers, the percentage of primary RIF by FICO score represents the lowest of the borrowers' FICO scores at origination.
(3)LTV at origination.

Risk Distribution

We use third-party reinsurance in our mortgage insurance business as part of our risk distribution strategy, including to manage our capital position and risk profile. When we enter into a reinsurance agreement, the reinsurer receives a premium and, in exchange, insures an agreed-upon portion of incurred losses. While these arrangements reduce our earned premiums, they also reduce our required capital and are expected to increase our return on required capital for the related policies.

The impact of these programs on our financial results will vary depending on the level of ceded RIF, as well as the levels of prepayments and incurred losses on the reinsured portfolios, among other factors. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results—Mortgage Insurance—Risk Distribution" in our 2023 Form 10-K and Note 8 of Notes to Unaudited Condensed Consolidated Financial Statements in this report for more information about our reinsurance transactions.

The table below provides information about the amounts by which Radian Guaranty's reinsurance programs reduced its Minimum Required Assets as of the dates indicated.

PMIERs benefit from risk distribution

($ in thousands)	September 30, 2024	December 31, 2023	September 30, 2023
PMIERs impact - reduction in Minimum Required Assets			
XOL Program			
Mortgage insurance-linked notes	$ 606,204	$ 770,335	$ 465,794
Traditional reinsurance	177,137	218,294	—
Total XOL Program	783,341	988,629	465,794
Other QSR Agreements [1]	533,721	420,989	379,568
Single Premium QSR Program	180,178	193,807	198,448
Total PMIERs impact	$ 1,497,240	$ 1,603,425	$ 1,043,810
Percentage of gross Minimum Required Assets	28.0 %	30.6 %	20.3 %

(1) Consists primarily of the 2022, 2023 and 2024 QSR Agreements, which include both single and monthly premium policies.

See "Results of Operations—Mortgage Insurance—Revenues—Net Premiums Earned" for information about the impact on premiums earned from each of Radian Guaranty's reinsurance programs.

Results of Operations—Consolidated

Radian Group serves as the holding company for our operating subsidiaries and does not have any operations of its own. Our consolidated operating results for the three and nine months ended September 30, 2024 and 2023, primarily reflect the financial results and performance of our Mortgage Insurance business. See "Results of Operations—Mortgage Insurance" for the operating results of this business segment for the three and nine months ended September 30, 2024, compared to the same periods in 2023.

In addition to the results of our operating segments, pretax income (loss) is also affected by those factors described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results" in our 2023 Form 10-K.

The following table summarizes our consolidated results of operations for the periods indicated.

Summary results of operations - Consolidated

($ in thousands, except per-share amounts)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023
Revenues						
Net premiums earned	$ 239,133	$ 240,262	$ (1,129)	$ 712,721	$ 686,929	$ 25,792
Services revenue	12,167	10,892	1,275	38,020	33,673	4,347
Net investment income	78,396	67,805	10,591	221,383	189,606	31,777
Net gains (losses) on investments and other financial instruments	2,174	(8,555)	10,729	(1,823)	(3,206)	1,383
Income (loss) on consolidated VIEs	465	—	465	465	—	465
Other income	1,522	2,109	(587)	3,656	4,942	(1,286)
Total revenues	333,857	312,513	21,344	974,422	911,944	62,478
Expenses						
Provision for losses	6,889	(8,135)	(15,024)	(1,890)	(46,696)	(44,806)
Policy acquisition costs	6,724	6,920	196	20,040	18,431	(1,609)
Cost of services	9,542	8,886	(656)	28,404	29,541	1,137
Other operating expenses	85,919	79,206	(6,713)	260,203	252,360	(7,843)
Interest expense	29,391	23,282	(6,109)	85,501	66,526	(18,975)
Amortization of other acquired intangible assets	0	1,371	1,371	—	4,112	4,112
Total expenses	138,465	111,530	(26,935)	392,258	324,274	(67,984)
Pretax income	195,392	200,983	(5,591)	582,164	587,670	(5,506)
Income tax provision	43,500	44,401	901	126,015	127,244	1,229
Net income	$ 151,892	$ 156,582	$ (4,690)	$ 456,149	$ 460,426	$ (4,277)
Diluted net income per share	$ 0.99	$ 0.98	$ 0.01	$ 2.95	$ 2.86	$ 0.09
Return on equity	13.2%	15.0%	(1.8)%	13.4%	15.2%	(1.8)%
Non-GAAP Financial Measures (1)						
Adjusted pretax operating income	$ 198,668	$ 210,455	$ (11,787)	$ 594,168	$ 594,693	$ (525)
Adjusted diluted net operating income per share	$ 1.03	$ 1.04	$ (0.01)	$ 3.04	$ 2.92	$ 0.12
Adjusted net operating return on equity	13.7%	16.0%	(2.3)%	13.8%	15.5%	(1.7)%

(1) See "Use of Non-GAAP Financial Measures" below.

Revenues

Net Premiums Earned. Net premiums earned increased for the nine months ended September 30, 2024, as compared to the same period in 2023 primarily due to: (i) an increase in direct premiums earned in 2024 and (ii) increased ceded premiums earned associated with the tender offers by Eagle Re 2019-1 Ltd. and Eagle Re 2020-1 Ltd. in the second quarter of 2023 to purchase the mortgage insurance-linked notes that supported their reinsurance agreements with Radian Guaranty. See "Results of Operations—Mortgage Insurance—Revenues—*Net Premiums Earned*" for more information.

Net Investment Income. The increase in net investment income for the three and nine months ended September 30, 2024, as compared to the same periods in 2023, is primarily attributable to higher balances of residential mortgage loans held for sale and short-term investments. See Note 6 of Notes to Unaudited Condensed Consolidated Financial Statements for comparative detail about net investment income. See "Results of Operations—Mortgage Insurance—Revenues—*Net Investment Income*" and "Results of Operations—All Other" for more information.

Net Gains (Losses) on Investments and Other Financial Instruments. See Note 6 of Notes to Unaudited Condensed Consolidated Financial Statements for comparative detail about net gains (losses) on investments and other financial instruments by investment category.

Expenses

Provision for Losses. The change in the provision for losses for the three and nine months ended September 30, 2024, as compared to the same periods in 2023, is primarily driven by a reduction in favorable development on prior period defaults, which impacted our mortgage insurance reserves. See "Results of Operations—Mortgage Insurance—Expenses—*Provision for Losses*" for more information.

Other Operating Expenses. Other operating expenses increased for the three and nine months ended September 30, 2024, as compared to the same periods in 2023, primarily driven by a $10 million impairment of internal-use software, partially offset by decreases in other operating expense for the businesses that comprise All Other activities. For additional information, see "Expenses—*Other Operating Expenses*" under both "Results of Operations—Mortgage Insurance" and "Results of Operations—All Other."

Interest Expense. The increase in interest expense for the three and nine months ended September 30, 2024, as compared to the same periods in 2023, is primarily due to: (i) an increase in secured borrowings under our mortgage loan financing facilities and (ii) the net impact of the March 2024 issuance and redemption of the Senior Notes due 2029 and Senior Notes due 2025, respectively, including the impact of a $4 million loss on extinguishment of debt related to the redemption of the Senior Notes due 2025. See Note 12 of Notes to Unaudited Condensed Consolidated Financial Statements for additional detail about our interest expense.

Income Tax Provision

Our provision for income taxes for interim periods is established based on our estimated annual effective tax rate for a given year and reflects the impact of discrete tax effects in the period in which they occur.

Our effective tax rate for the three and nine months ended September 30, 2024, was 22.3% and 21.6%, respectively, as compared to 22.1% and 21.7% for the three and nine months ended September 30, 2023, respectively. For the three and nine months ended September 30, 2024 and 2023, the effects of non-deductible executive compensation expense, state income taxes and the vesting of RSUs were the primary drivers of the difference in our effective tax rate compared to the federal statutory rate.

Use of Non-GAAP Financial Measures

In addition to traditional GAAP financial measures, we have presented "adjusted pretax operating income (loss)," "adjusted diluted net operating income (loss) per share" and "adjusted net operating return on equity," which are non-GAAP financial measures for the consolidated company, among our key performance indicators to evaluate our fundamental financial performance. These non-GAAP financial measures align with the way our business performance is evaluated by both management and by our board of directors. These measures have been established in order to increase transparency for the purposes of evaluating our operating trends and enabling more meaningful comparisons with our peers. Although on a consolidated basis adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share and adjusted net operating return on equity are non-GAAP financial measures, for the reasons discussed above we believe these measures aid in understanding the underlying performance of our operations.

Total adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share and adjusted net operating return on equity are not measures of overall profitability, and therefore should not be considered in isolation or viewed as substitutes for GAAP pretax income (loss), diluted net income (loss) per share or return on equity. Our definitions of adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share and adjusted net operating return on equity, as discussed and reconciled below to the most comparable respective GAAP measures, may not be comparable to similarly named measures reported by other companies.

Our senior management, including our Chief Executive Officer (Radian's chief operating decision maker), uses adjusted pretax operating income (loss) as our primary measure to evaluate the fundamental financial performance of the Company's business segments and to allocate resources to the segments. For detailed information regarding items excluded from adjusted pretax operating income (loss) and the reasons for their treatment, see Note 4 of Notes to Consolidated Financial

Statements and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Consolidated—Use of Non-GAAP Financial Measures," each in our 2023 Form 10-K.

Adjusted pretax operating income (loss) is defined as GAAP consolidated pretax income (loss) excluding the effects of: (i) net gains (losses) on investments and other financial instruments, except for those investments and other financial instruments attributable to our Mortgage Conduit business; (ii) amortization and impairment of goodwill and other acquired intangible assets; and (iii) impairment of other long-lived assets and other non-operating items, if any, such as gains (losses) from the sale of lines of business, acquisition-related income (expenses) and gains (losses) on extinguishment of debt.

The following table provides a reconciliation of consolidated pretax income to our non-GAAP financial measure for the consolidated Company of adjusted pretax operating income.

Reconciliation of consolidated pretax income to adjusted pretax operating income

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2024	2023	2024	2023
Consolidated pretax income	$ 195,392	$ 200,983	$ 582,164	$ 587,670
Less: income (expense) items				
Net gains (losses) on investments and other financial instruments [1]	6,785	(8,838)	2,454	(3,664)
Amortization and impairment of goodwill and other acquired intangible assets	—	(1,371)	—	(4,112)
Impairment of other long-lived assets and other non-operating items [2]	(10,061)	737	(14,458)	753
Total adjusted pretax operating income [3]	$ 198,668	$ 210,455	$ 594,168	$ 594,693

(1)Excludes net gains (losses) on investments and other financial instruments that are attributable to our Mortgage Conduit business, which are included in adjusted pretax operating income (loss).
(2)The non-operating loss for the three and nine months ended September 30, 2024, primarily relates to impairment of internal-use software.
(3)Total adjusted pretax operating income on a consolidated basis consists of adjusted pretax operating income (loss) for our Mortgage Insurance segment and All Other activities, as further detailed in Note 4 of Notes to Unaudited Condensed Consolidated Financial Statements.

Adjusted diluted net operating income (loss) per share is calculated by dividing adjusted pretax operating income (loss) attributable to common stockholders, net of taxes computed using the Company's statutory tax rate, by the sum of the weighted average number of common shares outstanding and all dilutive potential common shares outstanding. The following table provides a reconciliation of diluted net income (loss) per share to our non-GAAP financial measure for the consolidated Company of adjusted diluted net operating income (loss) per share.

Reconciliation of diluted net income per share to adjusted diluted net operating income per share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Diluted net income per share	$ 0.99	$ 0.98	$ 2.95	$ 2.86
Less: per-share impact of reconciling income (expense) items				
Net gains (losses) on investments and other financial instruments	0.04	(0.06)	0.01	(0.02)
Amortization and impairment of goodwill and other acquired intangible assets	—	(0.01)	—	(0.03)
Impairment of other long-lived assets and other non-operating items	(0.06)	0.01	(0.09)	—
Income tax (provision) benefit on reconciling income (expense) items [1]	—	0.01	0.02	0.01
Difference between statutory and effective tax rates	(0.02)	(0.01)	(0.03)	(0.02)
Per-share impact of reconciling income (expense) items	(0.04)	(0.06)	(0.09)	(0.06)
Adjusted diluted net operating income per share [1]	$ 1.03	$ 1.04	$ 3.04	$ 2.92

(1)Calculated using the Company's federal statutory tax rate of 21%.

Adjusted net operating return on equity is calculated by dividing annualized adjusted pretax operating income (loss), net of taxes computed using the Company's statutory tax rate, by average stockholders' equity, based on the average of the beginning and ending balances for each period presented. The following table provides a reconciliation of return on equity to our non-GAAP financial measure for the consolidated Company of adjusted net operating return on equity.

Reconciliation of return on equity to adjusted net operating return on equity

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Return on equity [1]	13.2 %	15.0 %	13.4 %	15.2 %
Less: impact of reconciling income (expense) items [2]				
Net gains (losses) on investments and other financial instruments	0.6 %	(0.9)%	— %	(0.1)%
Amortization and impairment of goodwill and other acquired intangible assets	— %	(0.2)%	— %	(0.2)%
Impairment of other long-lived assets and other non-operating items	(0.9)%	0.1 %	(0.4)%	— %
Income tax (provision) benefit on reconciling income (expense) items [3]	— %	0.2 %	0.1 %	0.1 %
Difference between statutory and effective tax rates	(0.2)%	(0.2)%	(0.1)%	(0.1)%
Impact of reconciling income (expense) items	(0.5)%	(1.0)%	(0.4)%	(0.3)%
Adjusted net operating return on equity [3]	13.7 %	16.0 %	13.8 %	15.5 %

(1)Calculated by dividing annualized net income by average stockholders' equity, based on the average of the beginning and ending balances for each period presented.
(2)Annualized, as a percentage of average stockholders' equity.
(3)Calculated using the Company's federal statutory tax rate of 21%.

Results of Operations—Mortgage Insurance

The following table summarizes our Mortgage Insurance segment's results of operations for the periods indicated.

Summary results of operations - Mortgage Insurance

	Three Months Ended September 30,		Change Favorable (Unfavorable)	Nine Months Ended September 30,		Change Favorable (Unfavorable)
(In thousands)	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
Revenues						
Net premiums written	$ 233,648	$ 235,169	$ (1,521)	$ 698,170	$ 679,128	$ 19,042
(Increase) decrease in unearned premiums	1,496	1,632	(136)	5,791	(145)	5,936
Net premiums earned	235,144	236,801	(1,657)	703,961	678,983	24,978
Services revenue	244	266	(22)	763	886	(123)
Net investment income	50,236	49,953	283	149,912	144,016	5,896
Other income	1,948	1,237	711	3,942	4,070	(128)
Total revenues	287,572	288,257	(685)	858,578	827,955	30,623
Expenses						
Provision for losses	6,346	(8,257)	(14,603)	(2,309)	(46,744)	(44,435)
Policy acquisition costs	6,724	6,920	196	20,040	18,431	(1,609)
Cost of services	126	172	46	435	556	121
Other operating expenses	48,942	48,520	(422)	161,075	159,245	(1,830)
Interest expense	21,891	21,673	(218)	67,181	64,440	(2,741)
Total expenses	84,029	69,028	(15,001)	246,422	195,928	(50,494)
Adjusted pretax operating income [1]	$ 203,543	$ 219,229	$ (15,686)	$ 612,156	$ 632,027	$ (19,871)

(1)Our senior management uses adjusted pretax operating income as our primary measure to evaluate the fundamental financial performance of our business segments. See Note 4 of Notes to Unaudited Condensed Consolidated Financial Statements for more information.

Revenues

Net Premiums Earned. Net premiums earned increased for the nine months ended September 30, 2024, as compared to the same period in 2023, primarily due to: (i) an increase in direct premiums earned in 2024, due primarily to higher IIF, and (ii) increased ceded premiums earned associated with the tender offers by Eagle Re 2019-1 Ltd. and Eagle Re 2020-1 Ltd. in the second quarter of 2023 to purchase the mortgage insurance-linked notes that supported their reinsurance agreements with Radian Guaranty.

The table below provides additional information about the components of mortgage insurance net premiums earned for the periods indicated, including the effects of our reinsurance programs.

Net premiums earned

(In thousands, except as otherwise indicated)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023
Direct						
Premiums earned, excluding revenue from cancellations	$ 261,726	$ 254,903	$ 6,823	$ 779,661	$ 758,606	$ 21,055
Single Premium Policy cancellations	1,783	3,304	(1,521)	5,973	12,645	(6,672)
Direct	263,509	258,207	5,302	785,634	771,251	14,383
Ceded						
Premiums earned, excluding revenue from cancellations [1]	(41,894)	(32,363)	(9,531)	(120,816)	(125,805)	4,989
Single Premium Policy cancellations [2]	818	(873)	1,691	1,438	(3,459)	4,897
Profit commission—other [3]	12,711	11,830	881	37,705	36,996	709
Ceded premiums, net of profit commission	(28,365)	(21,406)	(6,959)	(81,673)	(92,268)	10,595
Total net premiums earned	$ 235,144	$ 236,801	$ (1,657)	$ 703,961	$ 678,983	$ 24,978
In force portfolio premium yield (in basis points) [4]	38.2	38.0	0.2	38.2	38.1	0.1
Direct premium yield (in basis points) [5]	38.5	38.5	—	38.5	38.8	(0.3)
Net premium yield (in basis points) [6]	34.4	35.3	(0.9)	34.5	34.1	0.4
Average primary IIF (in billions) [7]	$ 273.8	$ 268.2	$ 5.6	$ 272.4	$ 265.3	$ 7.1

(1)The nine months ended September 30, 2023, include the impact of tender offers by Eagle Re 2019-1 Ltd. and Eagle Re 2020-1 Ltd. to purchase the mortgage insurance-linked notes that supported their reinsurance agreements with Radian Guaranty. As a result of these tender offers, Radian Guaranty incurred additional ceded premiums earned during the second quarter of 2023 of $21 million.
(2)Includes the impact of related profit commissions.
(3)Represents the profit commission from the Single Premium QSR Program, 2022 QSR Agreement, 2023 QSR Agreement and 2024 QSR Agreement, excluding the impact of Single Premium Policy cancellations.
(4)Calculated by dividing annualized direct premiums earned, excluding revenue from cancellations, by average primary IIF.
(5)Calculated by dividing annualized direct premiums earned, by average primary IIF.
(6)Calculated by dividing annualized net premiums earned by average primary IIF. The calculation for all periods presented incorporates the impact of profit commission adjustments related to our reinsurance programs.
(7)The average of beginning and ending balances of primary IIF, for each period presented.

The level of mortgage prepayments affects the revenue ultimately produced by our mortgage insurance business and is influenced by the mix of business we write. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results—Mortgage Insurance—IIF and Related Drivers" in our 2023 Form 10-K for more information.

The following table provides information related to the impact of our reinsurance transactions on premiums earned. See Note 8 of Notes to Unaudited Condensed Consolidated Financial Statements for more information about our reinsurance programs.

Ceded premiums earned

($ in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
XOL Program				
Mortgage insurance-linked notes [1]	$ 9,645	$ 9,040	$ 29,173	$ 61,882
Traditional reinsurance	2,113	—	6,646	—
Total XOL Program	11,758	9,040	35,819	61,882
Other QSR Agreements [2]	14,048	9,022	38,828	23,660
Single Premium QSR Program	2,559	3,344	7,026	6,726
Total ceded premiums earned [3]	$ 28,365	$ 21,406	$ 81,673	$ 92,268
Percentage of total direct and assumed premiums earned	10.8%	8.3%	10.4%	12.0%

(1)The nine months ended September 30, 2023, include the impact of tender offers by Eagle Re 2019-1 Ltd. and Eagle Re 2020-1 Ltd. to purchase the mortgage insurance-linked notes that supported their reinsurance agreements with Radian Guaranty. As a result of these tender offers, Radian Guaranty incurred additional ceded premiums earned during the second quarter of 2023 of $21 million, consisting of $16 million related to the cost of tender premiums and associated expenses and $5 million related to the acceleration of deferred costs from the original executions of these transactions.
(2)Consists primarily of the 2022, 2023 and 2024 QSR Agreements.
(3)Does not include the benefit from ceding commissions from the reinsurance agreements in our QSR Program, which is primarily included in other operating expenses in our condensed consolidated statements of operations. See Note 8 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information.

Net Investment Income. Higher investment balances was the primary driver of the increases in net investment income for the three and nine months ended September 30, 2024, as compared to the same periods in 2023.

The following table provides information related to our Mortgage Insurance subsidiaries' investment balances and investment yields for the periods indicated.

Investment balances and yields

($ in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023
Investment income	$ 52,929	$ 51,578	$ 1,351	$ 157,267	$ 149,258	$ 8,009
Investment expenses	(2,693)	(1,625)	(1,068)	(7,355)	(5,242)	(2,113)
Net investment income	$ 50,236	$ 49,953	$ 283	$ 149,912	$ 144,016	$ 5,896
Average investments [1]	$ 5,382,155	$ 5,333,104	$ 49,051	$ 5,397,016	$ 5,329,118	$ 67,898
Average investment yield [2]	3.7%	3.8%	(0.1)%	3.7%	3.6%	0.1%

(1)The average of the beginning and ending amortized cost, for each period presented, of investments held by our Mortgage Insurance subsidiaries.
(2)Calculated by dividing annualized net investment income by average investments balance.

Expenses

Provision for Losses. The following table details the financial impact of the significant components of our provision for losses for the periods indicated.

Provision for losses

($ in thousands, except reserve per new default)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023
Current period defaults [1]	$ 57,032	$ 46,630	$ (10,402)	$ 151,497	$ 130,740	$ (20,757)
Prior period defaults [2]	(50,686)	(54,887)	(4,201)	(153,806)	(177,484)	(23,678)
Total provision for losses	$ 6,346	$ (8,257)	$ (14,603)	$ (2,309)	$ (46,744)	$ (44,435)
Loss ratio [3]	2.7%	(3.5)%	(6.2)%	(0.3)%	(6.9)%	(6.6)%
Reserve per new default [4]	$ 4,160	$ 4,180	$ 20	$ 4,143	$ 4,143	$ 0

(1)Related to defaulted loans with the most recent default notice dated in the period indicated. For example, if a loan had defaulted in a prior period, but then subsequently cured and later re-defaulted in the current period, the default would be considered a current period default.
(2)Related to defaulted loans with a default notice dated in a period earlier than the period indicated, which have been continuously in default since that time.
(3)Provision for losses as a percentage of net premiums earned. See "Revenues—*Net Premiums Earned*" above for additional information on the changes in net premiums earned.
(4)Calculated by dividing provision for losses for new defaults, net of reinsurance, by new primary defaults for each period.

Current period new primary defaults increased by 23% and 16% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023, as shown below, which is consistent with the natural seasoning of the portfolio given the increase in our IIF in recent years. Our gross Default to Claim Rate assumption for new primary defaults was 8.0% at both September 30, 2024 and 2023, as we continue to closely monitor the trends in Cures and claims paid for our default inventory, while also weighing the risks and uncertainties associated with the current economic environment.

Our provision for losses during the three and nine months ended September 30, 2024, and the same periods in 2023, was positively impacted by favorable reserve development on prior period defaults, primarily as a result of more favorable trends in Cures than originally estimated. These Cures have been due primarily to favorable outcomes resulting from positive trends in home price appreciation, which has also contributed to a higher rate of claims that result in no ultimate loss and that are withdrawn by servicers as a result. These favorable observed trends resulted in reductions in our Default to Claim Rate and other reserve adjustments for prior year default notices, including our Claim Severity assumptions in 2024.

See Note 11 of Notes to Unaudited Condensed Consolidated Financial Statements herein for additional information, as well as Notes 1 and 11 of Notes to Consolidated Financial Statements and "Item 1A. Risk Factors" in our 2023 Form 10-K.

Our primary default rate as a percentage of total insured loans at September 30, 2024, was 2.3% compared to 2.2% at December 31, 2023. The following table shows a rollforward of our primary loans in default.

Rollforward of primary loans in default

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Beginning default inventory	20,276	19,880	22,021	21,913
New defaults	13,708	11,156	36,568	31,555
Cures [1]	(11,484)	(10,467)	(35,764)	(32,671)
Claims paid	(99)	(111)	(376)	(282)
Rescissions and Claim Denials [2]	(51)	(52)	(99)	(109)
Ending default inventory	22,350	20,406	22,350	20,406

(1)Includes submitted claims that resolved without a claim payment.
(2)Net of any previous Rescissions and Claim Denials that were reinstated during the period. Such reinstated Rescissions and Claim Denials may ultimately result in a paid claim.

The following tables show additional information about our primary loans in default as of the dates indicated.

Primary loans in default - additional information

	September 30, 2024					
	Total		Foreclosure Stage Defaulted Loans	Cure % During the 3rd Quarter	Reserve for Losses	% of Reserve
($ in thousands)	#	%	#	%	$	%
Missed payments						
Three payments or less	11,714	52.4%	23	36.3%	$ 102,689	30.4%
Four to eleven payments	7,067	31.6%	301	27.0%	125,264	37.2%
Twelve payments or more	3,214	14.4%	695	17.5%	91,368	27.1%
Pending claims	355	1.6%	N/A	27.6%	17,704	5.3%
Total	22,350	100.0%	1,019		337,025	100.0%
LAE					10,175	
IBNR					1,669	
Total primary reserve (1)					$ 348,869	

	December 31, 2023					
	Total		Foreclosure Stage Defaulted Loans	Cure % During the 4th Quarter	Reserve for Losses	% of Reserve
($ in thousands)	#	%	#	%	$	%
Missed payments						
Three payments or less	11,054	50.2%	25	36.2%	$ 94,856	27.5%
Four to eleven payments	7,147	32.5%	298	27.2%	119,330	34.7%
Twelve payments or more	3,438	15.6%	699	17.3%	111,141	32.3%
Pending claims	382	1.7%	N/A	30.6%	18,908	5.5%
Total	22,021	100.0%	1,022		344,235	100.0%
LAE					10,397	
IBNR					1,780	
Total primary reserve (1)					$ 356,412	

N/A – Not applicable
(1)Excludes pool and other reserves. See Note 11 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information.

We develop our Default to Claim Rate estimates based primarily on models that use a variety of loan characteristics to determine the likelihood that a default will reach claim status. Our aggregate weighted average net Default to Claim Rate assumption for our primary loans used in estimating our reserve for losses, which is net of estimated Claim Denials and Rescissions, was 25% as of both September 30, 2024, and December 31, 2023, respectively. See Note 11 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional details about our Default to Claim Rate assumptions.

Although expected claims are included in our reserve for losses, the timing of claims paid is subject to fluctuation from quarter to quarter based on the rate that defaults cure and other factors, including the impact of foreclosure moratoriums (as described in "Item 1. Business—Mortgage Insurance—Defaults and Claims" in our 2023 Form 10-K) that make the timing of paid claims difficult to predict.

The following table shows net claims paid by product and the average claim paid by product for the periods indicated.

Claims paid

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net claims paid [1]				
Primary	$ 2,408	$ 4,325	$ 7,558	$ 7,478
Pool and other	(47)	413	(41)	(59)
Subtotal	2,361	4,738	7,517	7,419
LAE	1,031	—	3,227	3,497
Commutations and settlements [2]	—	—	1,552	—
Total net claims paid	$ 3,392	$ 4,738	$ 12,296	$ 10,916
Average net primary claim paid [1] [3]	$ 22.9	$ 37.6	$ 27.0	$ 36.0
Average direct primary claim paid [3] [4]	$ 27.2	$ 38.7	$ 29.0	$ 37.2

(1)Net of reinsurance recoveries.
(2)Includes payments to commute mortgage insurance coverage on certain performing and non-performing loans.
(3)Calculated excluding the impact of: (i) LAE; (ii) commutations and settlements; and (iii) claims resolved without payment, including claims subsequently withdrawn by the servicer.
(4)Before reinsurance recoveries.

Hurricanes Helene and Milton made landfall in September and October 2024, respectively, causing extensive property damage in Florida and certain other states, as well as other general disruptions including power outages and flooding. Although the Primary Mortgage Insurance we write protects lenders from a portion of losses resulting from mortgage defaults, it generally does not provide protection against property loss or physical damage, including damage caused by hurricanes or other severe weather events or natural disasters. As a result, while we expect new defaults from the affected areas to increase in the fourth quarter of 2024, absent a prolonged negative impact on the local economies in these areas, as of September 30, 2024, we do not expect to incur any material losses due to current or future defaults in FEMA Designated Areas related to these hurricanes.

For additional information about our reserve for losses, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in our 2023 Form 10-K.

Other Operating Expenses. The increase in other operating expenses for the three and nine months ended September 30, 2024, as compared to the same periods in 2023, is primarily due to an increase in variable and share-based compensation expense and severance related expense, partially offset by a reduction in general operating expenses related to expense savings actions implemented during the past year, as well as an increase in the benefit from ceding commissions under Radian Guaranty's QSR Program.

Share-based compensation expense for the nine months ended September 30, 2024, includes $8 million of costs recognized on RSUs granted to retirement eligible grantees during the second quarter of 2024, as compared to $3 million for the same periods in 2023. Because no further service is required from retirement eligible grantees to satisfy vesting conditions for their awards, we recognize the full compensation costs as of the grant date for retirement eligible grantees. See Note 17 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional information about our share-based compensation programs.

The following table shows additional information about other operating expenses for our Mortgage Insurance segment, for the periods indicated.

Other operating expenses

($ in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023
Direct						
Salaries and other base employee expenses	$ 10,180	$ 9,877	$ (303)	$ 32,373	$ 31,946	$ (427)
Variable and share-based incentive compensation	5,299	4,465	(834)	15,109	13,018	(2,091)
Other general operating expenses	7,205	7,587	382	21,230	25,232	4,002
Ceding commissions	(6,276)	(5,153)	1,123	(17,877)	(14,605)	3,272
Total direct	16,408	16,776	368	50,835	55,591	4,756
Allocated [1]						
Salaries and other base employee expenses	11,356	10,425	(931)	39,897	33,703	(6,194)
Variable and share-based incentive compensation	7,005	9,184	2,179	27,650	27,405	(245)
Other general operating expenses	14,173	12,135	(2,038)	42,693	42,546	(147)
Total allocated	32,534	31,744	(790)	110,240	103,654	(6,586)
Total other operating expenses	$ 48,942	$ 48,520	$ (422)	$ 161,075	$ 159,245	$ (1,830)
Expense ratio [2]	23.7%	23.4%	(0.3)%	25.7%	26.2%	0.5%

(1)See Note 4 of Notes to Unaudited Condensed Consolidated Financial Statements for more information about our allocation of corporate operating expenses.
(2)Operating expenses (which consist of policy acquisition costs and other operating expenses, as well as allocated corporate operating expenses), expressed as a percentage of net premiums earned. See "Revenues—*Net Premiums Earned*" above for additional information on the changes in net premiums earned.

Results of Operations—All Other

The following table summarizes our All Other results of operations for the periods indicated.

Summary results of operations - All Other

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change Favorable (Unfavorable) 2024 vs. 2023
Revenues						
Net premiums earned	$ 3,989	$ 3,461	$ 528	$ 8,760	$ 7,946	$ 814
Services revenue	12,001	10,723	1,278	37,558	33,083	4,475
Net investment income	28,160	17,852	10,308	71,471	45,590	25,881
Net gains (losses) on investments and other financial instruments	(4,611)	283	(4,894)	(4,277)	458	(4,735)
Income (loss) on consolidated VIEs	465	—	465	465	—	465
Other income	(399)	9	(408)	(244)	13	(257)
Total revenues	39,605	32,328	7,277	113,733	87,090	26,643
Expenses						
Provision for losses	543	122	(421)	419	48	(371)
Cost of services	9,416	8,714	(702)	27,969	28,985	1,016
Other operating expenses	27,021	30,657	3,636	89,288	93,305	4,017
Interest expense	7,500	1,609	(5,891)	14,045	2,086	(11,959)
Total expenses	44,480	41,102	(3,378)	131,721	124,424	(7,297)
Adjusted pretax operating income (loss) (1)	$ (4,875)	$ (8,774)	$ 3,899	$ (17,988)	$ (37,334)	$ 19,346

(1)Our senior management uses adjusted pretax operating income (loss) as our primary measure to evaluate the fundamental financial performance of each of our business segments. See Note 4 of Notes to Unaudited Condensed Consolidated Financial Statements.

Our All Other results include income from investments held at Radian Group, which have benefited from rising interest rates over the past year as well as from rising balances resulting from distributions by Radian Guaranty.

All Other also includes the financial results of our other immaterial operating segments, comprising our Mortgage Conduit, Title, Real Estate Services and Real Estate Technology businesses. In particular, Radian Mortgage Capital contributed to the increase in net investment income, net losses on investments and interest expense during the three and nine months ended September 30, 2024.

Liquidity and Capital Resources

Consolidated Cash Flows

The following table summarizes our consolidated cash flows from operating, investing and financing activities.

Summary cash flows - Consolidated

(In thousands)	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net cash provided by (used in):		
Operating activities	$ (394,157)	$ 264,476
Investing activities	292,429	(189,445)
Financing activities	111,738	(74,797)
Increase (decrease) in cash and restricted cash	$ 10,010	$ 234

Operating Activities. Our most significant source of operating cash flows is from premiums received from our mortgage insurance policies, while our most significant uses of operating cash flows are typically for our operating expenses and claims paid on our mortgage insurance policies and taxes. In addition, our operating activities also include Radian Mortgage Capital's purchases, sales and principal payments from residential mortgage loans held for sale, which can fluctuate from period to period. The increase in cash used in operating activities in the nine months ended September 30, 2024, as compared to cash provided by operating activities in the same period in 2023, is primarily due to increases in net purchases of mortgage loans held for sale, which increased from $137 million in the first nine months of 2023 to $849 million for the same period in 2024.

Investing Activities. Net cash provided by investing activities increased for the nine months ended September 30, 2024, as compared to cash used in investing activities in the same period in 2023. The increase was primarily from: (i) sales and redemptions, net of purchases, of short-term investments and fixed-maturities available for sale and (ii) cash provided by operating activities other than net cash used for purchases of mortgage loans held for sale, which were primarily funded by financing activities as described below.

Financing Activities. For the nine months ended September 30, 2024, our primary financing activities impacting cash included an increase in secured borrowings, primarily related to funding from mortgage loan financing facilities, which increased from $120 million in the first nine months of 2023 to $473 million for the same period in 2024, as well as proceeds from the issuance of securitized nonrecourse debt in 2024. This increase was partially offset by: (i) net changes in our senior notes; (ii) repurchases of our common stock; and (iii) payment of dividends. See Notes 12 and 14 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information regarding our borrowings and share repurchases, respectively.

See "Item 1. Financial Statements (Unaudited)—Condensed Consolidated Statements of Cash Flows (Unaudited)" for additional information.

Liquidity Analysis—Holding Company

Radian Group serves as the holding company for our operating subsidiaries and does not have any operations of its own. At September 30, 2024, Radian Group had available, either directly or through unregulated subsidiaries, unrestricted cash and liquid investments of $844 million. Available liquidity at September 30, 2024, excludes certain additional cash and liquid investments that have been advanced to Radian Group from our subsidiaries to pay for corporate expenses and interest payments. Total liquidity, which includes our undrawn $275 million unsecured revolving credit facility, as described below, was $1.1 billion as of September 30, 2024.

During the nine months ended September 30, 2024, Radian Group's available liquidity decreased by $149 million, due to the net impact of the redemption of the Senior Notes due 2025 and 2024 and the issuance of the Senior Notes due 2029 and the payments for dividends and share repurchases, as described, partially offset by the $485 million in ordinary dividends received from Radian Guaranty.

In addition to available cash and marketable securities, including net investment income earned on such investments, Radian Group's principal sources of cash to fund future liquidity needs include: (i) payments made to Radian Group by its subsidiaries under expense- and tax-sharing arrangements and (ii) to the extent available, dividends or other distributions from its subsidiaries.

Radian Group has in place a $275 million unsecured revolving credit facility with a syndicate of bank lenders. Subject to certain limitations, borrowings under the credit facility may be used for working capital and general corporate purposes, including, without limitation, capital contributions to our insurance and other subsidiaries as well as growth initiatives. At September 30, 2024, the full $275 million remains undrawn and available under the facility. See Note 12 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional information on the unsecured revolving credit facility.

In connection with our Mortgage Conduit business, Radian Mortgage Capital has entered into the Master Repurchase Agreements. As of September 30, 2024, Radian Group has entered into three separate Parent Guarantees to guaranty the obligations under the Master Repurchase Agreements. See Note 12 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information. In addition to financing the acquisition of mortgage loan assets under the Master Repurchase Agreements, Radian Mortgage Capital may fund such purchases directly using capital contributed from Radian Group.

We expect Radian Group's principal liquidity demands for the next 12 months to be: (i) the payment of corporate expenses, including taxes; (ii) interest payments on our outstanding debt obligations; (iii) the payment of quarterly dividends on

our common stock, which are currently $0.245 per share, and which remain subject to approval by our board of directors and our ongoing assessment of our financial condition and potential needs related to the execution and implementation of our business plans and strategies; (iv) the potential continued repurchases of shares of our common stock pursuant to share repurchase authorizations, as described below; and (v) investments to support our business strategy, including capital contributions to our subsidiaries.

In addition to our ongoing short-term liquidity needs discussed above, our most significant need for liquidity beyond the next 12 months is the repayment of $1.1 billion aggregate principal amount of our senior debt due in future years. See "Capitalization—Holding Company" below for details of our debt maturity profile.

Radian Group's liquidity demands for the next 12 months or in future periods could also include: (i) early repurchases or redemptions of portions of our debt obligations and (ii) potential payments pursuant to the Parent Guarantees.

For additional information about related risks and uncertainties, see "*Our sources of liquidity may be insufficient to fund our obligations*" and "*Radian Guaranty may fail to maintain its eligibility status with the GSEs, and the additional capital required to support Radian Guaranty's eligibility could reduce our available liquidity*" under "Item 1A. Risk Factors" in our 2023 Form 10-K.

In addition to Radian Group's existing sources of liquidity to fund its obligations, we may decide to seek additional capital, including by incurring additional debt, issuing additional equity, or selling assets, which we may not be able to do on favorable terms, if at all.

Share Repurchases. During the nine months ended September 30, 2024, the Company repurchased 4.8 million shares of Radian Group common stock under a program authorized by Radian Group's board of directors, at a total cost of $149 million, including commissions. See Note 14 of Notes to Unaudited Condensed Consolidated Financial Statements for additional details on our share repurchase programs.

Dividends and Dividend Equivalents. In February 2024, Radian Group's board of directors authorized an increase to the Company's quarterly dividend from $0.225 to $0.245 per share. Based on our outstanding shares of common stock and our current dividend level, which our board of directors may change as discussed above, we would require approximately $147 million in the aggregate to pay dividends for the next 12 months, plus an incremental amount for dividend equivalents that will fluctuate based on final shares vested under our performance-based RSU programs. So long as no default or event of default exists under our revolving credit facility or the Parent Guarantees, Radian Group is not subject to any legal or contractual limitations on its ability to pay dividends except those generally applicable to corporations that are incorporated in Delaware. See Note 12 of Notes to Unaudited Condensed Consolidated Financial Statements for additional details. The declaration and payment of future quarterly dividends remains subject to the board of directors' discretion and determination.

Corporate Expenses and Interest Expense. Radian Group has expense-sharing arrangements in place with its principal operating subsidiaries that require those subsidiaries to pay their allocated share of certain holding-company-level expenses, including interest payments on Radian Group's outstanding debt obligations. Corporate expenses and interest expense on Radian Group's debt obligations allocated under these arrangements during the nine months ended September 30, 2024, of $131 million and $65 million, respectively, were substantially all reimbursed by its subsidiaries. We expect substantially all of our holding company expenses to continue to be reimbursed by our subsidiaries under our expense-sharing arrangements. The expense-sharing arrangements between Radian Group and its mortgage insurance subsidiaries, as amended, have been approved by the Pennsylvania Insurance Department, but such approval may be modified or revoked at any time.

Taxes. Pursuant to our tax-sharing agreements, our operating subsidiaries pay Radian Group an amount equal to any federal income tax the subsidiary would have paid on a standalone basis if they were not part of our consolidated tax return. As a result, from time to time, under the provisions of our tax-sharing agreements, Radian Group may pay to or receive from its operating subsidiaries amounts that differ from Radian Group's consolidated federal tax payment obligation. Radian Group received $15 million of tax-sharing agreement payments from its subsidiaries during the nine months ended September 30, 2024.

Capitalization—Holding Company

The following table presents our holding company capital structure.

Capital structure

(In thousands, except per-share amounts and ratios)	September 30, 2024	December 31, 2023
Debt		
Senior Notes due 2024	$ —	$ 450,000
Senior Notes due 2025	—	525,000
Senior Notes due 2027	450,000	450,000
Senior Notes due 2029	625,000	—
Unamortized discount and debt issuance costs	(10,282)	(7,219)
Revolving credit facility	—	—
Total	1,064,718	1,417,781
Stockholders' equity	4,698,853	4,397,805
Total capitalization	$ 5,763,571	$ 5,815,586
Holding company debt-to-capital ratio [1]	18.5%	24.4%
Shares outstanding	149,776	153,179
Book value per share	$ 31.37	$ 28.71

(1)Calculated as carrying value of senior notes, which were issued and are owed by our holding company, divided by carrying value of senior notes and stockholders' equity. This holding company ratio does not include the effects of amounts owed by our subsidiaries related to secured borrowings.

Stockholders' equity increased by $301 million from December 31, 2023, to September 30, 2024. The net increase in stockholders' equity for the nine months ended September 30, 2024, resulted primarily from our net income of: (i) $456 million, and (ii) a net decrease in unrealized losses on investment securities of $98 million as a result of decreases in market interest rates during the period. These items were partially offset by: (i) share repurchases of $149 million, excluding related excise taxes due and (ii) dividend and dividend equivalents of $115 million. As of September 30, 2024, we did not expect to realize a loss for our investments in an unrealized loss position given our intent and ability to hold these investment securities until recovery of their amortized cost basis.

The increase in book value per share from $28.71 at December 31, 2023, to $31.37 at September 30, 2024, is primarily due to: (i) an increase of $2.98 per share attributable to our net income for the nine months ended September 30, 2024, and (ii) an increase of $0.64 per share due to a net decrease in unrealized losses in our available for sale securities, recorded in accumulated other comprehensive income. These increases were partially offset primarily by a decrease of $0.75 per share attributable to dividends and dividend equivalents.

We regularly evaluate opportunities, based on market conditions, to finance our operations by accessing the capital markets or entering into other types of financing arrangements with institutional and other lenders. We also regularly consider various measures to improve our capital and liquidity positions, as well as to strengthen our balance sheet, improve Radian Group's debt maturity profile and maintain adequate liquidity for our operations. Among other things, these measures may include borrowing agreements or arrangements, such as securities or other master repurchase agreements and revolving credit facilities.

In the past we have repurchased or exchanged, prior to maturity, some of our outstanding debt, and in the future, we may from time to time seek to redeem, repurchase or exchange for other securities, or otherwise restructure or refinance some or all of our outstanding debt prior to maturity in the open market through other public or private transactions, including pursuant to one or more tender offers or through any combination of the foregoing, as circumstances may allow. The timing or amount of any potential transactions will depend on a number of factors, including market opportunities and our views regarding our capital and liquidity positions and potential future needs. There can be no assurance that any such transactions will be completed on favorable terms, or at all.

Mortgage Insurance

Historically, one of the primary demands for liquidity in our Mortgage Insurance business is the payment of claims, net of reinsurance, including from commutations and settlements. See Note 11 of Notes to Unaudited Condensed Consolidated Financial Statements for information on our mortgage insurance reserve for losses and LAE, which represents our best estimate for the costs of settling future claims on currently defaulted mortgage loans.

Other principal demands for liquidity in our Mortgage Insurance business are expected to include: (i) expenses (including those allocated from Radian Group); (ii) repayments of FHLB advances; (iii) distributions from Radian Guaranty to Radian Group, including returns of capital or recurring ordinary dividends, as discussed below; and (iv) taxes, including potential additional purchases of U.S. Mortgage Guaranty Tax and Loss Bonds. See Notes 10 and 16 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional information related to these non-interest-bearing instruments.

The principal sources of liquidity in our Mortgage Insurance business currently include insurance premiums, net investment income and cash flows from: (i) investment sales and maturities; (ii) FHLB advances; and (iii) if necessary, capital contributions from Radian Group. We believe that the operating cash flows generated by each of our mortgage insurance subsidiaries will provide these subsidiaries with the funds necessary to satisfy their needs for the foreseeable future.

As of September 30, 2024, Radian Guaranty maintained claims paying resources of $6 billion on a statutory basis, which consist of contingency reserves, statutory policyholders' surplus, premiums received but not yet earned and loss reserves. In addition, our reinsurance programs are designed to provide additional claims-paying resources during times of economic stress and elevated losses. See Note 8 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information.

Radian Guaranty's Risk-to-capital as of September 30, 2024, was 10.3 to 1. Radian Guaranty is not expected to need additional capital to satisfy state insurance regulatory requirements. At September 30, 2024, Radian Guaranty had statutory policyholders' surplus of $691 million. This balance includes an $870 million benefit from U.S. Mortgage Guaranty Tax and Loss Bonds issued by the U.S. Department of the Treasury, which mortgage guaranty insurers such as Radian Guaranty may purchase in order to be eligible for a tax deduction, subject to certain limitations, related to amounts required to be set aside in statutory contingency reserves. See Note 16 of Notes to Consolidated Financial Statements and "*Radian Guaranty may fail to maintain its eligibility status with the GSEs, and the additional capital required to support Radian Guaranty's eligibility could reduce our available liquidity*" under "Item 1A. Risk Factors" in our 2023 Form 10-K for more information.

Radian Guaranty currently is an approved mortgage insurer under the PMIERs. Private mortgage insurers, including Radian Guaranty, are required to comply with the PMIERs to remain approved insurers of loans purchased by the GSEs. At September 30, 2024, Radian Guaranty's Available Assets under the PMIERs financial requirements totaled $6.0 billion, resulting in a PMIERs Cushion of $2.1 billion, or 55%, over its Minimum Required Assets. Those amounts compare to Available Assets of $5.9 billion and a PMIERs cushion of $2.3 billion, or 62%, at December 31, 2023. See "Overview—Legislative and Regulatory Developments" for more information on the PMIERs.

Despite holding assets above the minimum statutory capital thresholds and PMIERs financial requirements, the ability of Radian's mortgage insurance subsidiaries to pay dividends on their common stock is restricted by certain provisions of the insurance laws of Pennsylvania, their state of domicile. Under Pennsylvania's insurance laws, ordinary dividends and other distributions may only be paid out of an insurer's positive unassigned surplus unless the Pennsylvania Insurance Department approves the payment of dividends or other distributions from another source. Radian Guaranty paid ordinary dividends to Radian Group of $485 million during the first nine months of 2024 and expects to maintain the ability to pay additional ordinary dividends during the remainder of 2024. See Note 16 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional information on our statutory dividend restrictions and contingency reserve requirements.

Radian Guaranty is a member of the FHLB. As a member, it may borrow from the FHLB, subject to certain conditions, which include requirements to post collateral and to maintain a minimum investment in FHLB stock. Advances from the FHLB may be used to provide low-cost, supplemental liquidity for various purposes, including to fund incremental investments. Radian's current strategy includes using FHLB advances as financing for general cash management and liquidity purposes. As of September 30, 2024, there were $54 million of FHLB advances outstanding. See Note 12 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information.

All Other

Additional capital support may also be required for potential investments in our other business initiatives to support our strategy of growing our businesses. During the nine months ended September 30, 2024, Radian Group made $60 million of additional equity contributions to support our Title, Real Estate Services and Real Estate Technology businesses. During that same period, Radian Group also made $70 million of additional equity contributions to facilitate the growth of our Mortgage Conduit business.

In the event the cash flows from operations of our All Other businesses continue to be insufficient to fund all of their needs, Radian Group may continue to provide additional funds in the form of additional capital contributions or other support. See "*Investments to grow our existing businesses, pursue new lines of business or new products and services within existing lines of business subject us to additional risks and uncertainties*" under "Item 1A. Risk Factors" in our 2023 Form 10-K for additional information.

Ratings

Ratings independently assigned by third-party statistical rating organizations often are considered in assessing our credit strength and the financial strength of our primary insurance subsidiaries. Radian Group, Radian Guaranty and Radian Title Insurance are currently assigned the financial strength ratings set forth in the chart below, which are provided for informational purposes only and are subject to change. See "*The current financial strength ratings assigned to our mortgage insurance subsidiaries could weaken our competitive position and potential downgrades by rating agencies to these ratings and the ratings assigned to Radian Group could adversely affect the Company*" under "Item 1A. Risk Factors" in our 2023 Form 10-K.

Ratings

Subsidiary	Demotech, Inc.	Fitch [1]	Moody's [1]	S&P [1]
Radian Group	N/A	BBB-	Baa3	BBB-
Radian Guaranty	N/A	A-	A3	A-
Radian Title Insurance	A	N/A	N/A	N/A

(1)On April 12, 2024, Fitch Ratings ("Fitch") revised the outlook to Positive from Stable for both Radian Group and Radian Guaranty. Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P") each currently rate the outlook for both Radian Group and Radian Guaranty as Stable.

Critical Accounting Estimates

As of the filing date of this report, there were no significant changes in our critical accounting estimates from those discussed in our 2023 Form 10-K. See Note 2 of Notes to Unaudited Condensed Consolidated Financial Statements for accounting pronouncements issued but not yet adopted that may impact the Company's consolidated financial position, earnings, cash flows or disclosures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the potential for loss due to adverse changes in the value of financial instruments as a result of changes in market conditions. Examples of market risk include changes in interest rates, credit spreads, foreign currency exchange rates and equity prices. We regularly analyze our exposure to interest rate risk and credit spread risk and have determined that the fair value of our investments is materially exposed to changes in both interest rates and credit spreads. See "*Our success depends, in part, on our ability to manage risks in our investment portfolio*" under "Item 1A. Risk Factors" in our 2023 Form 10-K.

Residential mortgage loans held for sale increased from $33 million at December 31, 2023, to $530 million at September 30, 2024. See Note 7 of Notes to Unaudited Condensed Consolidated Financial Statements for more information on our residential mortgage loans held for sale and related hedging activities. Other than the higher balances of residential mortgage loans held for sale and related derivatives, our market risk exposures at September 30, 2024, which primarily relate to interest rate and credit risk, have not materially changed from those identified in our 2023 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of September 30, 2024, pursuant to Rule 15d-15(b) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control Over Financial Reporting

During the three-month period ended September 30, 2024, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are routinely involved in a number of legal actions and proceedings, including reviews, audits, inquiries, information-gathering requests and investigations by various regulatory entities, as well as litigation and other disputes arising in the ordinary course of our business. See Note 13 of Notes to Unaudited Condensed Consolidated Financial Statements for additional information regarding legal actions and proceedings.

Item 1A. Risk Factors

There have been no material changes to our risk factors from those previously disclosed in our 2023 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

During the three months ended September 30, 2024, no equity securities of Radian Group were sold that were not registered under the Securities Act.

Issuer Purchases of Equity Securities

The following table provides information about purchases of Radian Group common stock by us (and our affiliated purchasers) during the three months ended September 30, 2024.

Share repurchase program

($ in thousands, except per-share amounts)	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs [2]
Period				
7/1/2024 to 7/31/2024	825,886	$ 32.60	813,185	$ 640,219
8/1/2024 to 8/31/2024	592,948	34.78	592,948	619,605
9/1/2024 to 9/30/2024	55,008	35.72	52,048	617,744
Total	1,473,842		1,458,181	

(1) Includes 15,661 shares tendered by employees as payment of taxes withheld on the vesting of certain restricted stock awards granted under the Company's equity compensation plans.
(2) In January 2023, Radian Group's board of directors approved a share repurchase program authorizing the Company to spend up to $300 million, excluding commissions, to repurchase Radian Group common stock in the open market or in privately negotiated transactions, based on market and business conditions, stock price and other factors. In May 2024, Radian Group's board of directors approved an extension of the duration of this program to June 2026, as well as a $600 million increase in authorization for this program, bringing the total authorization to repurchase shares up to $900 million, excluding commissions. During the three months ended September 30, 2024, the Company purchased 1.5 million shares at an average price of $33.61, including commissions. See Note 14 of Notes to Unaudited Condensed Consolidated Financial Statements for additional details on our share repurchase program.

Limitations on Payment of Dividends

Radian Group is not subject to any legal or contractual limitations on its ability to pay dividends except as described below. The Company is subject to dividend limitations generally applicable to corporations that are incorporated in Delaware. In addition, pursuant to Radian Group's revolving credit facility and the Parent Guarantees, Radian Group is permitted to pay dividends so long as no event of default exists and the Company is in pro forma compliance with the applicable financial covenants in the agreements on the date a dividend is declared. See Note 12 of Notes to Consolidated Financial Statements in our 2023 Form 10-K for additional details.

Item 5. Other Information

Except as described below, none of the directors or officers (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K) during the period covered by this Report.

On August 27, 2024, Richard G. Thornberry, our Chief Executive Officer, entered into a Rule 10b5-1 trading plan that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended, and the Company's policies regarding transactions in Company securities. Under the trading plan, Mr. Thornberry may sell up to a maximum aggregate number of 240,000 shares of the Company's common stock, with sales occurring at prevailing market prices (subject to a price threshold) on set dates through the expiration of the plan on November 26, 2025, or the earlier completion of all sales under the plan. As of September 30, 2024, Mr. Thornberry beneficially owned (as determined in accordance with Section 16 of the Exchange Act of 1934) 929,452 shares of the Company's common stock ("Directly Held Shares") and also is entitled to receive 271,999 shares (prior to tax withholding upon distribution) on May 15, 2025, upon the completion of a one-year, post-vest holding period on performance-based RSUs ("Vested PSU Shares"). As of September 30, 2024, the value of Mr. Thornberry's Directly Held Shares and Vested PSU Shares together equaled approximately 42 times his base salary.

Item 6. Exhibits

Exhibit Number	Exhibit
10.1+***	Transition, Separation and Release Agreement, entered into as of July 13, 2024, between Brien J. McMahon and Radian Group Inc. (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K (file no. 1-11356) dated July 13, 2024, and filed on July 18, 2024).
31*	Rule 13a - 14(a) Certifications
32**	Section 1350 Certifications
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS)

* Filed herewith.
** Furnished herewith.
*** Exhibit C to this exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of the omitted exhibit to the SEC upon its request.
+ Management contract, compensatory plan or arrangement

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Radian Group Inc.

Date: November 7, 2024

/s/ SUMITA PANDIT

Sumita Pandit

Senior Executive Vice President, Chief Financial Officer

Date: November 7, 2024

/s/ ROBERT J. QUIGLEY

Robert J. Quigley

Executive Vice President, Controller and Chief Accounting Officer