



Radian Group Inc.

Fraud Policy

Purpose

This Fraud Policy, which is part of Radian's Code of Conduct and Ethics (the "Code"), is established to create a clear understanding of what fraud means, to advise you of your responsibilities concerning fraud in the workplace and to increase overall fraud awareness.

Scope

This Policy covers to all employees and officers of the Radian Group Inc., its subsidiaries and controlled affiliates ("Radian", the "Company" or "We"), whether full-time, part-time, temporary or contract and all directors. (Any reference to "you" in this Policy includes all these individuals.)

Policy

Radian believes in conducting its business with integrity, honestly and in good faith. Radian believes that every employee shares the responsibility to understand and identify fraudulent activity within Radian. This Policy provides examples of fraudulent activity and outlines employees' responsibilities regarding possible fraud at the Company.

Business Conduct

1. Integrity

a. Honesty and Good Faith

Each employee and director must act with the utmost integrity, good faith and honesty with regard to the Company and act in the Company's best interests at all times. Each employee and director must deal honestly, fairly and truthfully with the Company, his or her colleagues, and the Company's customers, suppliers, competitors and regulators.

Any failure by an employee or director of the Company to act with integrity and honesty is a violation of the Code and, in circumstances where the employee or director gains a personal benefit from the violation, may constitute fraud. An employee's or director's participation in any way in improper conduct will subject him or her to appropriate disciplinary action up to and including discharge from employment or service, even if that participation resulted from pressure or intimidation from a manager or supervisor. Radian will not tolerate fraudulent activity and any fraud or suspicion of fraud must be immediately reported.

b. Fraud Prevention and Detection

Fraud generally involves an act or omission involving deception or other unethical means that is intended to obtain an unauthorized] benefit for either an



individual or for the Company. Every employee shares the responsibility to understand and identify fraudulent activity within Radian. A fraudulent act can include, but is not limited to, such things as:

- Embezzlement;
- Forgery or alteration of documents such as contracts, loans, leases, assignments, timekeeping records, production records, analytical results, etc.;
- Forgery or alteration of checks, drafts, promissory notes and securities;
- Any misappropriation of funds, securities, supplies or other Company assets;
- Any irregularity in the handling or reporting of money transactions;
- Theft of materials, furniture, fixtures and equipment or any other Company property;
- Falsification of travel and entertainment expense records;
- Improper financial reporting or recording of fictitious or misleading transactions in the financial records of the Company;
- Expenditures for an improper purpose (i.e., bribery);
- Costs and/or expenses avoided by fraud (i.e., tax evasion); and
- Revenue or assets obtained by fraud (i.e., defrauding customers).

Management has primary responsibility for detecting fraudulent activity within the Company. Each manager should be familiar with the types of fraudulent activity that might occur in his or her area as well as the control activities that are in place to help prevent such activities. Control activities include proper segregation of duties, appropriate authorizations and approvals, verifications, reconciliations, reviews of operating performance, and reasonable steps to secure assets. Information systems play a critical role in internal control and they should be developed and maintained to mitigate fraud risk and assist with the timely detection of fraud. Management should diligently monitor day-to-day operations including control activities and must be alert for any indication that fraudulent activity is or was in existence. Such monitoring by management is in addition to the routine, periodic assessment of internal controls by the Internal Audit function

Any detection or suspicion of fraudulent activity by management or non-management personnel must be reported immediately using the Incident and Complaint reporting procedures set forth under “Incident and Compliant Reporting” in this Code. Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid incorrect accusations or alerting suspected individuals that an investigation is underway. Accordingly, an employee who suspects or has detected a fraudulent act should not initiate their own investigation or confront the person suspected of such fraudulent act but rather should report the issue immediately.



c. Full Disclosure

All employees and directors are expected to cooperate with an investigation conducted by the Company. A failure to cooperate and/or provide full disclosure of information and knowledge of an incident being investigated that may violate any aspect of this Code may itself be a violation of this Code.

Reporting and Investigation

The fraud laws are complex and you must refer any fraud concerns to the Chief Compliance Officer for further analysis and handling. You may also report such concerns using the Radian “How to Get Help” procedures set forth in the Code and may call the Radian Compliance Hotline at 800-523-1988 x 1700. Radian’s commitment to non-retaliation set forth in the Code applies to any report made under this Fraud Policy.