

Ensuring A Better Future...

By Learning From Our Past

The Mortgage Boom Era

Introduction Of Exotic Mortgages

- Sub-Prime, Pay Option Arms, Piggy Back Loans

Loosening Of Underwriting Guidelines

- 100% Loan-to-Value, Lower Credit Scores, Higher Debt-to-Income Ratios

Processes Were Streamlined And Automated ...

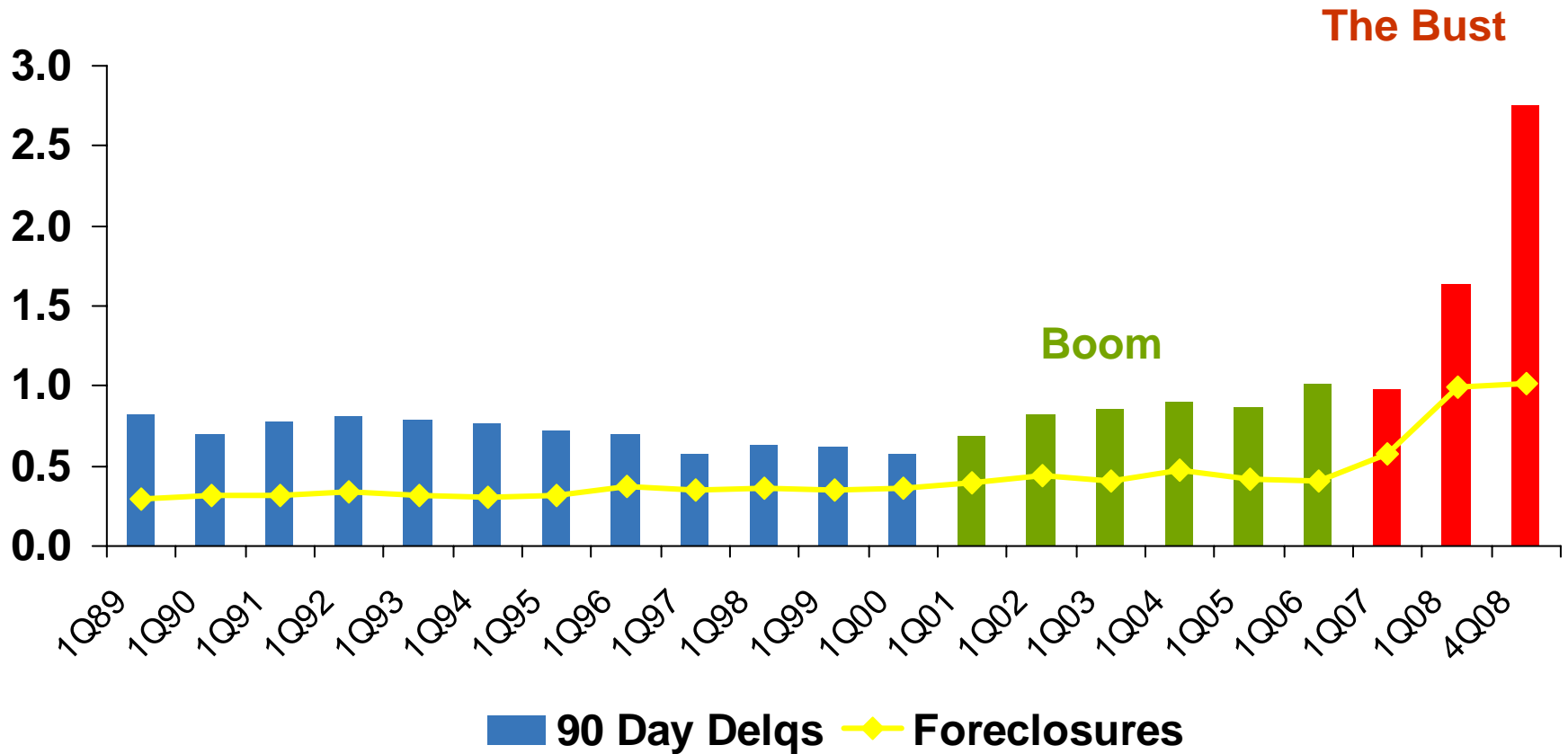
- Heavy Reliance On Automated Underwriting Systems (AUS)
- Underwriting For Mortgage Insurance Delegated To Lender
- Less Documentation Requirements ... Alt-A

New Channels Developed To Reach More Borrowers ...

- Wholesale Channel Expands Through Mortgage Brokers

Outcome Of The Boom

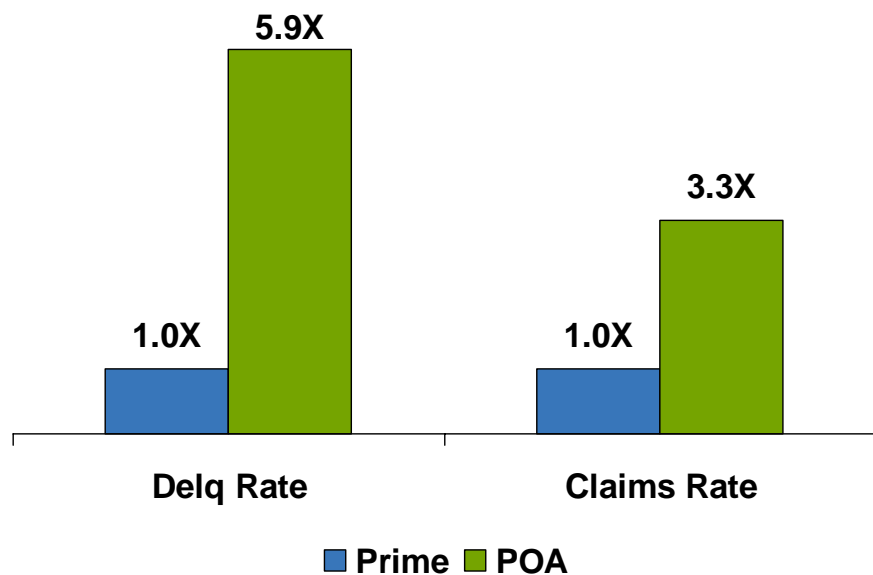
Innovation, Flexibility, Automation, Speed, Distribution ...
All good things ... Right?



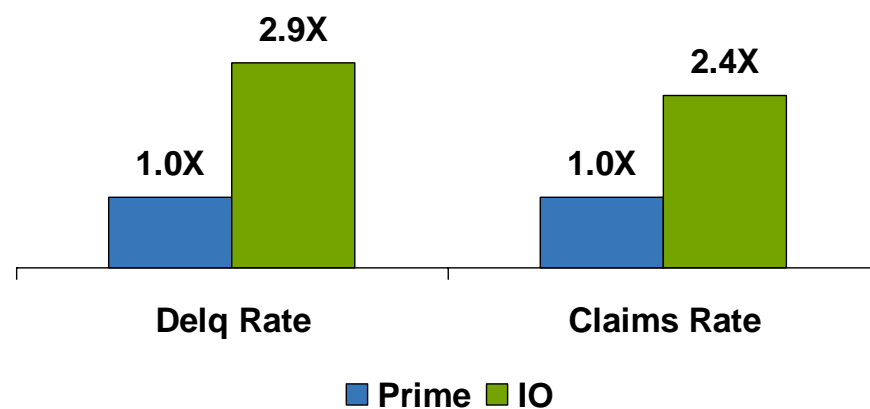
Source: Mortgage Banker's Association: National Delinquency Survey

Product Results

Pay Option ARM Performance (Index Factor)



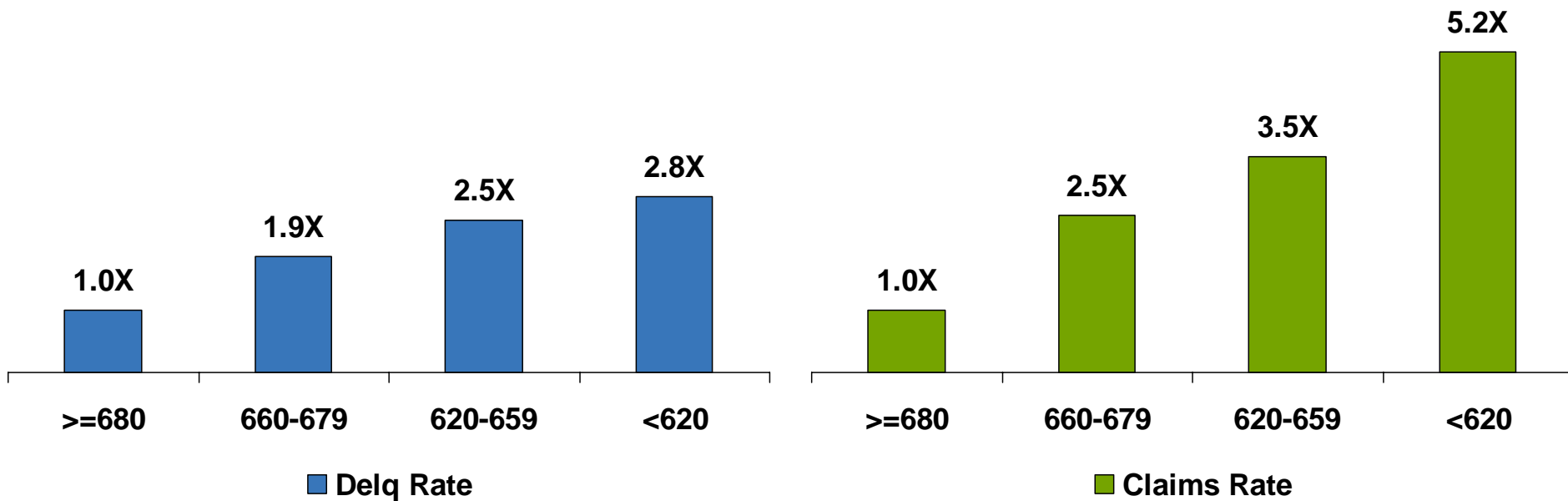
Interest Only (IO) Performance (Index Factor)



Data Based on Genworth Insured Loans

Underwriting Results

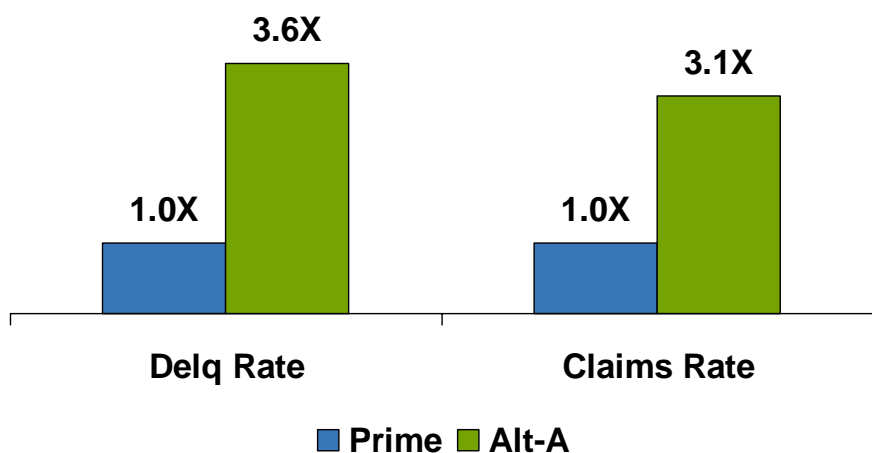
FICO Bucket Performance (Index Factor)



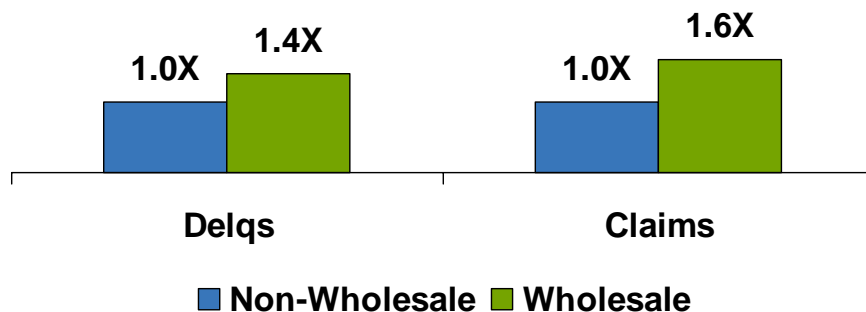
Data Based on Genworth Insured Loans

Process & Channel Results

ALT-A Performance (Index Factor)



Wholesale Performance (Index factor)



Data Based on Genworth Insured Loans

Learning From Our Past

Conservative Mortgage Products

- 30 Year Fixed Rate Mortgage With Limited ARM Products

Return To Traditional Underwriting Guidelines

- Lower Loan-to-values
- Established Good Credit
- Reasonable Debt-to-income Ratios

Process That Focus On Quality Versus Quantity

- Less Reliance On AUS And More On Qualified Underwriters
- Delegated Underwriting Earned Versus Entitled
- Comprehensive Appraisals

Limited Origination Channels

- Retail & Correspondent
- Wholesale With The Right Controls