



NEWS RELEASE

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PMI PROVIDES STATEMENT ON PRIME FOCUS OF U.S. MORTGAGE INSURANCE BUSINESS

Presentation Highlights Portfolio Characteristics

Walnut Creek, CA, March 15, 2007 – In response to current conditions affecting the mortgage market, The PMI Group, Inc. (NYSE: PMI) today posted a presentation outlining the characteristics of the Company’s mortgage insurance portfolio in the United States on its website at <http://www.pmigroup.com/shareholders/>.

“In the current market, we believe it’s important to differentiate ourselves and clarify the prime focus of our business in the United States,” said Steve Smith, CEO of The PMI Group, Inc. “Our principal focus is on sustainable homeownership for individuals and families purchasing homes with less than a 20 percent down payment who have ‘A’ or prime quality credit. Ultimately we believe that the increased recognition of risk in the mortgage marketplace will be a positive for PMI and the market overall.”

Although there is no official definition of less than ‘A’ quality loans, often referred to as subprime, the mortgage industry generally defines them as loans having credit scores of 619 or below. Some market participants use a score of 580 or 575 or below as the demarcation line. At 2006 year end, 92 percent of PMI’s U.S. portfolio’s risk in force (RIF) was ‘A’ or prime credit quality, defined as having a credit score of 620 or higher. The remaining 8 percent is composed of 5.9 percent with credit scores from 575 to 619, with only 2.1 percent having credit scores below 575. The less than ‘A’ quality loans PMI does insure are balanced by borrower, loan, and property characteristics that mitigate against risk layering.

According to the Mortgage Bankers’ Association, subprime loans comprise about 14 percent of the total number of outstanding mortgages in the United States.

David Katkov, President of PMI Mortgage Insurance Co., PMI’s U.S. subsidiary, explained, “Our mortgage insurance portfolio in the United States is focused in core housing, meaning loans of moderate size to first-time homebuyers purchasing a primary residence. The majority of the loans we insure have fixed rates. We believe that we have taken a prudent approach, managing the

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dispersion of risk by credit score, loan and property type, geographic region, and other key characteristics.”

General Characteristics of PMI’s U.S. Mortgage Insurance Portfolio as of December 31, 2006:

- Prime loans (credit scores of 620 and above) represent 92 percent of primary risk in force.
- Fixed rate loans account for 81 percent of primary risk in force.
- Approximately 89 percent of loans are for primary residences.
- Average primary loan size is \$142,500.
- The portfolio is well diversified across all 50 states.

The presentation is available at <http://www.pmigroup.com/shareholders>.

ABOUT THE PMI GROUP, INC.

The PMI Group, Inc. (NYSE: PMI), headquartered in Walnut Creek, CA, is an international provider of credit enhancement products that promote homeownership and facilitate mortgage transactions in the capital markets. Through its wholly owned subsidiaries and unconsolidated strategic investments, the company offers residential mortgage insurance and credit enhancement products domestically and internationally, financial guaranty insurance, and financial guaranty reinsurance. Through its subsidiaries, The PMI Group, Inc. is one of the world’s largest providers of private mortgage insurance with operations in the United States, Australia, New Zealand, and the European Union, as well as one of the largest providers of mortgage guaranty reinsurance in Hong Kong. For more information: www.pmigroup.com.

Cautionary Statement: Statements in this release that are not historical facts, or that relate to future plans, events or performance are “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include our beliefs with respect to the diversification and performance of our U.S. mortgage insurance portfolio and with respect to our credit risk management approach. Readers are cautioned that forward-looking statements by their nature involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many factors could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements. Our US Mortgage Insurance Operations’ losses incurred may be negatively affected by many factors including, among others, national or regional recessions, declines in housing values, higher unemployment rates, higher levels of consumer credit, deteriorating borrower credit, higher interest rates, war or terrorist activity, adverse weather events, the seasoning of our U.S. mortgage insurance portfolio, and unexpected performance within our U.S. mortgage insurance portfolio, which includes high LTV loans, ARMs, less-than-A quality loans, interest only loans, and payment option ARMs, for which we generally expect higher default and claim rates. Other risks and uncertainties are discussed in our SEC filings, including our Form 10-K for the year ended December 31, 2006. We undertake no obligation to update forward-looking statements.

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