EXECUTIVE SPOTLIGHT

Rohit Gupta – CEO, Enact Mortgage Insurance

2022 is Enact's first full year as a public company. How has it been going and what are some of the new challenges you face as CEO of a public company?

September 16, 2022 marks our first anniversary as a public company, but we have a 40+ year track record as a private mortgage insurance company helping millions of families not only achieve the dream of homeownership but obtain modifications to stay in their homes during times of financial stress. We deliver best-in-class underwriting to a well-established, deep, and diversified customer base. Throughout the past year, we have delivered record earnings, further strengthened our strong balance sheet, and are well positioned to manage through economic uncertainty. This puts us in a great position for continued success. Transitioning from a private company CEO to a public company CEO, comes with additional responsibilities. It's been a bit of a balancing act, but I am fortunate to have an experienced board of directors, a strong leadership team, and dedicated, passionate employees who are more than capable of meeting and exceeding the demands associated with our new public company status.

How do you think about the balance between expanding access to homeownership and ensuring safety and soundness in the housing finance system? How do you think about Enact's role in both efforts?

Expanding access does not have to compete with safety and soundness. The entire housing finance ecosystem learned a great deal from the Great Financial Crisis in 2008 and many of the changes put in place with respect to underwriting and verifying a borrower's ability to repay have greatly improved the mortgage industry.

The mortgage insurance industry plays a critical role in ensuring borrowers not only have access to homeownership sooner and are best positioned to remain in their homes. In today's market, it takes a family earning the national median income up to 14 years to save for a 20% down payment. But private MI dramatically reduces the number of years to save for a down payment and allows borrowers to keep money in reserve in the event of economic dislocation or for large, unexpected expenses.   In the last year, private MI helped more than 2 million homeowners purchase or refinance a mortgage. Nearly 60 percent of purchase loans with private MI were to first-time buyers, accounting for the nearly 900,000 new homeowners, and more than 40 percent had annual incomes below $75,000. Finally, Enact has taken an active role working with our lender partners, the GSEs and the FHFA to identify areas for safe and sound expansion of the credit box and we look forward to supporting the GSEs' recently released Equitable Housing Finance Plans.

If the country does enter a period of higher mortgage delinquencies and general economic stress, how is Enact, and more generally the mortgage insurance industry positioned?

We recognize the sudden and significant increase in interest rates and the impact of inflation drive near-term volatility. Even with that, there are areas where we see strength. The labor market is robust. Household savings remain above pre-pandemic levels, and there has been homeowner equity built up through strong home price appreciation. Next, the demographic trends driving demand haven't changed. First-time homebuyers will continue to provide a tailwind over the long-term as a significant number of new potential homeowners reach the peak age for homebuying.

Finally, while dynamics affecting our markets remain multiple and complex, we believe the "acquire, manage, and distribute" risk model that the mortgage insurance industry, generally, and Enact, specifically, allows us to provide safe and sound access to homeownership through all market cycles.