Enact Provides Update on Capital Position Under New PMIERs Available Asset Guidelines

August 21, 2024

RALEIGH, N.C., Aug. 21, 2024 (GLOBE NEWSWIRE) -- **Enact Holdings, Inc. (Nasdaq: ACT) (Enact),** a leading provider of private mortgage insurance through its insurance subsidiaries, today addressed the updated Private Mortgage Insurer Eligibility Requirements (PMIERs) released by Fannie Mae and Freddie Mac (the GSEs), and the Federal Housing Finance Administration (FHFA) on August 21, 2024 which will be phased-in between March 31, 2025 and September 30, 2026.

“The changes to the PMIERs requirements, which were developed in collaboration with the GSEs and FHFA, will further strengthen the risk-based capital framework for the private mortgage insurance industry. Enact remains well positioned for continued prudent capital sufficiency in excess of these requirements while continuing to execute on our capital allocation strategy,” said Rohit Gupta, President and CEO of Enact. “Going forward, we remain committed to playing our important role of helping individuals responsibly achieve the dream of homeownership.”

As of June 30, 2024, Enact had approximately 169% of the required assets under the current PMIERs framework, representing approximately $2.1 billion above the mandated thresholds.

If the new PMIERs standards had been in effect on June 30, 2024, Enact estimates its PMIERs sufficiency ratio would have been approximately 153%, with available assets exceeding the new requirements by approximately $1.6 billion. The difference is primarily due to the exclusion of certain high-quality NAIC 1 and NAIC 2 designated bonds in the updated PMIERs framework.

The ultimate impact of the PMIERs changes will be influenced by investment portfolio maturities, dispositions, reinvestments, and overall business and economic performance between today and September 2026. To further demonstrate the impact of these changes, restating our PMIERs sufficiency as of June 30, 2024, to reflect portfolio repositioning completed in August 2024 and scheduled portfolio maturities through March 2025, results in sufficiency of approximately 160% or $1.8 billion above required assets.

Our investment portfolio is diversified, with high-quality fixed income assets providing ample liquidity under severe stress. Enact fully expects to maintain compliance with the revised PMIERs standards going forward and believes the impact of the new standards will be immaterial to its current or future PMIERs sufficiency ratio and investment portfolio yield. Additionally, Enact does not expect these revised PMIERs standards to affect its current or future capital allocation priorities, including its goal of returning between $300 million to $350 million to shareholders in 2024.

FHFA's announcement can be found **here** which includes links to the GSEs PMIERs requirements.

About Enact Holdings, Inc.
Enact (Nasdaq: ACT), operating principally through its wholly-owned subsidiary Enact Mortgage Insurance Corporation since 1981, is a leading U.S. private mortgage insurance provider committed to helping more people achieve the dream of homeownership. Building on a deep understanding of lenders' businesses and a legacy of financial strength, we partner with lenders to bring best-in class service, leading underwriting expertise, and extensive risk and capital management to the mortgage process, helping to put more people in homes and keep them there. By empowering customers and their borrowers, Enact seeks to positively impact the lives of those in the communities in which it serves in a sustainable way. Enact is headquartered in Raleigh, North Carolina.

Safe Harbor Statement
This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements may address, among other things, our expected financial and operational results, the related assumptions underlying our expected results, and the quotations of management. These forward-looking statements are distinguished by use of words such as “will,” “may,” “would,” “anticipate,” “expect,” “believe,” “designed,” “plan,” “predict,” “project,” “target,” “could,” “should,” or “intend,” the negative of these terms, and similar references to future periods. These views involve risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed in our forward-looking statements. Our forward-looking statements contained herein speak only as of the date of this press release. Factors or events that we cannot predict, including risks related to an economic downturn or recession in the United States and in other countries around the world; changes in political, business, regulatory, and economic conditions; changes in or to Fannie Mae and Freddie Mac (the “GSEs”), whether through Federal legislation, restructurings or a shift in business practices; failure to continue to meet the mortgage insurer eligibility requirements of the GSEs; competition for customers; lenders or investors seeking alternatives to private mortgage insurance; an increase in the number of loans insured through Federal government mortgage insurance programs, including those offered by the Federal Housing Administration; and other factors described in the risk factors contained in our 2023 Annual Report on Form 10-K and other filings with the SEC, may cause our actual results to differ from those expressed in forward-looking statements. Although Enact believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, Enact can give no assurance that its expectations will be achieved and it undertakes no obligation to update publicly any forward-looking statements as a result of new information, future events, or otherwise, except as required by applicable law.

Investor Contact Daniel Kohl EnactIR@enactmi.com Media Contact Sarah Wentz Sarah.Wentz@enactmi.com