

GENWORTH ENABLES LENDERS TO HELP MORE FIRST TIME BUYERS

New specialist mortgage insurance product to grow 100% loan market

London, 11 October 2006: Lenders will be able to help more first time buyers get on the property ladder thanks to the launch today of a new specialist mortgage insurance product from Genworth Financial. By helping to mitigate the considerable risk associated with 100% Loan-To-Value (LTV) mortgage lending, this latest Genworth product enables lenders to safely grow their market share in segments where their own risk appetite has traditionally precluded them. It has been specifically designed to open up the high LTV market to those young professionals and graduates in the 21-40 age group who are unable to fund a deposit.

Research commissioned by Genworth has shown that more than half (57%) of 21-40 year old property-hunters still believe that a deposit is required to secure a mortgage, resulting in a delay in their property purchase and potentially missing out on the benefits of house price appreciation. Furthermore, 60% of those hoping to buy in the next four years said that they feared they would find it difficult to raise the money for their deposit.¹

“Raising a deposit should not be a barrier to owning a home,” said Tammy Richardson, UK & Ireland Managing Director for Mortgage Insurance at Genworth Financial. “Mortgage insurance for 100% LTV lending has a key role to play in providing first-time buyers with earlier access to home ownership while also enabling lenders to grow.”

Genworth’s research findings suggest a significant market opportunity for lenders, with nearly a third (30%) of young professionals and graduates aged 21–40 saying they would definitely consider a 100% LTV product to get them on the property ladder sooner.¹

“By combining our 11 years of experience in the local mortgage market with our global expertise and capability, we have been able to develop a solution for the UK market that benefits both lenders and consumers,” said Ms Richardson. “The insurance product we’ve designed uses affordability-driven lending criteria to ensure that mortgage loans are sold responsibly. This means that we’re not just enabling lenders to get first-time buyers on the property ladder – we’re also helping lenders to keep them there.”

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¹ Research conducted by Third party research provider *ICM research* using a sample size of 200 respondents. All respondents were between 21-40, and stated that they are looking to buy a home within the next four years.

Notes to Editors:

What is Mortgage Insurance?

Mortgage Insurance (MI) is a type of insurance that protects lenders and investors in the event that a borrower defaults on a high LTV mortgage and the proceeds of the sale of the property are insufficient to pay the outstanding debt and associated repossession expenses. (High LTV describes a situation where a borrower typically has a deposit of less than 20% of the property value).

How does MI help lenders?

MI helps lenders to grow by providing them with additional opportunities to participate in the high LTV end of the market. By transferring risk to a highly rated company such as Genworth, it helps lenders to reduce loss volatility. MI encourages funding flexibility by enhancing the quality of mortgage-backed securities and mortgage bonds and promotes capital efficiency by reducing capital held against high LTV mortgages.

How does MI help borrowers?

Mortgage Insurance enables borrowers to buy their own homes through accessibility and affordability.

About Genworth Financial

Genworth Financial, Inc. is a leading insurance holding company, serving the lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers, and has operations in 24 countries, including the United States, Australia, Canada, Japan, Mexico, New Zealand, the United Kingdom and 16 other European countries. For more information, visit www.genworth.com.

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