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PRESS RELEASE

PMI Europe Holds Roundtable Discussion on “Sustaining a Successful Real Estate Market”

Dublin, Ireland, 9th February 2007 – At a roundtable discussion on “Sustaining a Successful Real Estate Market” sponsored by PMI Europe, experts agreed that a “soft landing” is the most desirable outcome for the Irish economy and housing market, although they did not necessarily agree about how that should be achieved.

The roundtable brought together a distinguished panel of experts including Gay Mitchell, MEP; Dara Deering, Head of Mortgages, EBS; Tony Porter, Managing Director, PMI Europe; Jim Power, Chief Economist, Friends First; as well as David Blake, Habitat for Humanity.

The Roundtable was attended by senior representatives from the financial services industry, governmental departments, the financial regulator, and various consumer groups. The panel examined the latest thinking, themes, and trends surrounding the real estate market in Ireland and discussed topics such as:

- Economic outlook for Ireland
- Current property market and its sustainability
- Comparison with international markets
- Developments in the mortgage market and affordability issues
- The infrastructure servicing new developments
- Potential to shape future direction
- Role of Government and Banking industry

The Irish economy and housing market has been the subject of widespread media and investor attention in Europe, with many commentators forecasting a soft landing for the housing market.

Tony Porter, Executive Vice President and Managing Director, International Markets, PMI Europe, explained, “In recent years talk of politics, sport, and the weather has been replaced by a new Irish passion, property. The upward trend in house prices has been positive for those already on the ladder, but it has created challenges for others as affordability moves further out of reach. At PMI these are problems we help solve everyday. Our products increase home affordability and increase the safety of the financial system. Our interest in these issues leads us to create forums such as these to foster discussion.”

Two panel participants highlighted ways that the government could contribute to, if not ensure, a soft landing. According to Jim Power, economist at Friends First, “The Irish mortgage market has come through a period of very rapid growth and is now showing some signs of slowing. It is incumbent on policy makers to ensure that a soft landing is facilitated. Any official interventions in the market need to be carefully considered, but a more flexible approach to stress testing by the regulator, and a reform of the penal stamp duty regime by government would be desirable.”

Gay Mitchell, MEP, took a stronger stand, commenting, “It is time for the Central Bank to become more active in working to bring about the required soft landing. The Central Bank should be more proactive. It should not be left to individual banks or groups of banks to determine the public interest. At some point we must identify the optimum number of homes required in the state, the annual number required thereafter and the mix of social/affordable and other housing needs.” He went on to say, “Only 6.5% of our housing is social housing. By far the best way of tackling unemployment of workers currently engaged in building private dwellings would be to switch them

to build social housing. Any TD worth his salt knows well the great need there is for assistance to those who have been left behind. Clearly social housing would not require the same output of construction as now prevails, but it could help provide that much talked of soft landing, while at the same time meeting a great social need. Our business leaders may yet see the real advantage of social partnership."

The Dublin roundtable was the third such event organised by PMI Europe to encourage open debate on housing markets and affordability.

Press Contacts

Kieran Riley, PMI Mortgage Insurance Company Limited

Tel: 01-4482978

Email: kieran.riley@pmigroup.com

Notes to Editors:

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