



Trends from 2021-2023

# ReFi Loss Profiles & AMI Behavior vs. Interest Rates

June 2024

# Forward-Looking Statements Legend

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The absence of these words does not mean that a statement is not forward-looking. Such statements are based on the beliefs of, as well as assumptions made by information currently available to Doma management. These forward-looking statements include, but are not limited to, statements regarding refinance loss profiles and area medium income behavior vs. interest rates, the performance of our instant underwriting technology, loss related performance metrics and projections of interest rate and market behavior. These statements are based on various assumptions, whether or not identified in this document, and on the current expectation of Doma’s management and are not predictions of actual performance. These forward-looking statements are provided to allow potential investors the opportunity to understand management’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not guarantees of future performance and undue reliance should not be placed on them. Actual events and circumstances are difficult or impossible to predict, will differ from assumptions and are beyond the control of Doma.

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## Methodology

# Average Cumulative Claims Loss for Conforming Refinance Loan Policies



“Loss” means both incurred third party legal/investigation expenses processing a claim as well as the amount of the title claim itself



“Average Cumulative Claims Loss” means cumulative loss curves are tracked for each vintage separately, then all cumulative curves for all vintages averaged.



“Year 0” means the first 365 days from policy issuance to the first anniversary of policy issuance



“Instant 2019-2023” contains 68,750 instantly underwritten conforming refinances



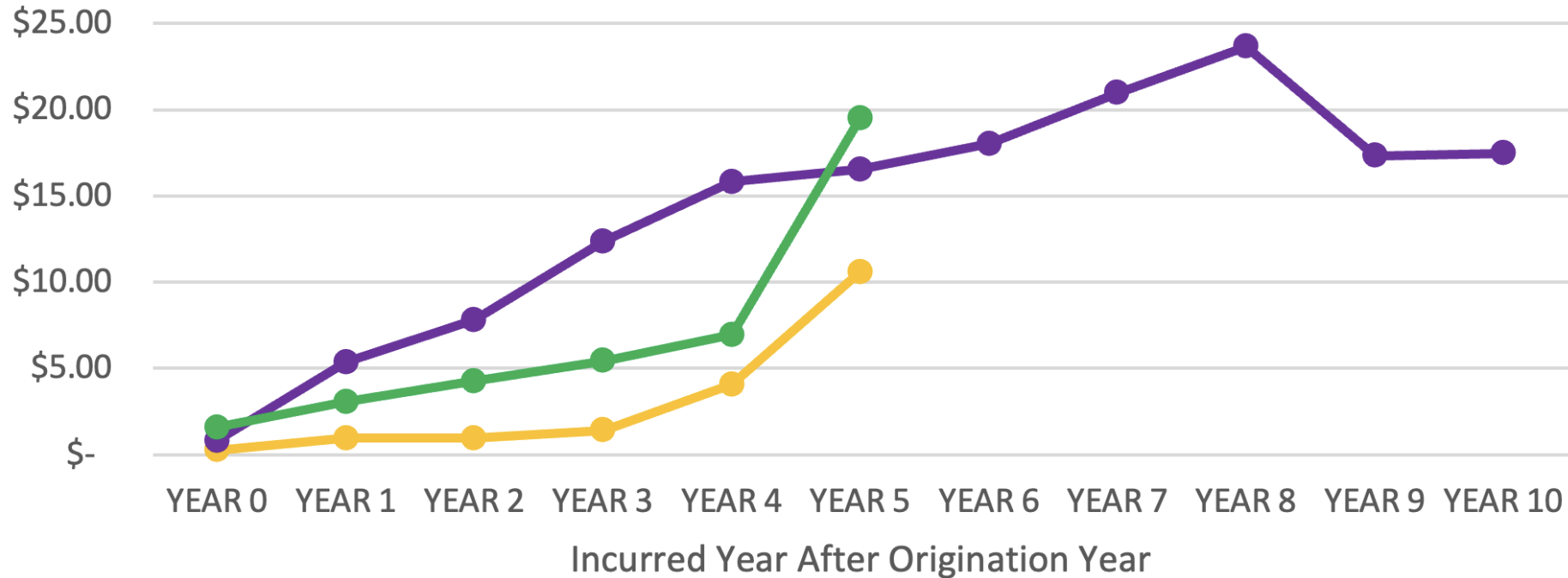
“Traditional 2019-2023” contains 528,832 conforming refinances



“Traditional 2014-2018” contains 345,777 conforming refinances

# Average Cumulative Claims Loss for Conforming Refinance Loan Policies

## Loss Per Policy (Residential Conforming Refi)



- Instant 2019-2023 Vintages
- Traditional 2014-2018 Vintages
- Traditional 2019-2023 Vintages

# Average Gross Written Premium Per Year

## Traditional

Year	Type	Avg Premium
2014	Traditional	\$493
2015	Traditional	\$499
2016	Traditional	\$507
2017	Traditional	\$499
2018	Traditional	\$509
2019	Traditional	\$550
2020	Traditional	\$544
2021	Traditional	\$544
2022	Traditional	\$593
2023	Traditional	\$586

## Instant

Year	Type	Avg Premium
2019	Instant	\$349
2020	Instant	\$390
2021	Instant	\$414
2022	Instant	\$379
2023	Instant	\$378

## Methodology

# AMI vs. 30 Year Fixed Rate



Examine the time period 2021-2023



Includes all Conforming Refinances



All Refis includes 77,732 conforming refinances (instantly underwritten and not)



Instantly underwritten Refis includes 47,666 conforming instantly underwritten refinances

Statistically, analysis shows that the results have less than 1% margin of error from 2021-2022, and less than 4% margin of error from 2022-2023, based on sample sizes.

### We measure "Block-level AMI" for each address:

We look up the reported median income for that census block and divide by the median income of the zip code to get the %  
Therefore, we do not know the specific AMI of the borrower.

What we know is the mean AMI of that census block where the borrower lives

# AMI decreases with 30 year fixed rate, up to a certain point

### Conforming Refinance Over Time

