RADIAN GROUP INC
Form DEF 14A
April 26, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

Radian Group Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

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Radian Group Inc.

1601 Market Street

Philadelphia, Pennsylvania

19103-2337

800.523.1988

215.231.1000

April 26, 2012

Dear Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of Radian Group Inc., which will be held at The Loews Philadelphia Hotel, 1200 Market Street, Philadelphia, Pennsylvania 19107, at 9:00 a.m. local time on May 30, 2012. The accompanying Notice of 2012 Annual Meeting of Stockholders and Proxy Statement describe the items to be considered and acted upon by the stockholders at the meeting.

Whether or not you plan to attend the annual meeting, please sign, date and return the enclosed proxy card as soon as possible so that your shares can be voted in accordance with your instructions. If you attend the meeting, you may revoke your proxy, if you wish, and vote personally. Because the representation of stockholders at the annual meeting is very important, we thank you in advance for your participation.

Sincerely,

Edward J. Hoffman

General Counsel and Corporate Secretary

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103

NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS

Radian Group Inc. will hold its 2012 Annual Meeting of Stockholders as provided below:

Date and Time:	Wednesday, May 30, 2012, 9:00 a.m. local time
Place:	The Loews Philadelphia Hotel 1200 Market Street Philadelphia, Pennsylvania 19107
Items of Business:	(1) Elect twelve directors, each for a one-year term, to serve until their successors have been duly elected and qualified;
	(2) Conduct an advisory vote to approve the overall compensation of our named executive officers;
	(3) Ratify the appointment of PricewaterhouseCoopers LLP as Radian s independent registered public accounting firm for the year ending December 31, 2012; and
	(4) Transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.
Record Date:	Stockholders of record as of the close of business on April 13, 2012 will be entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the meeting.

Whether or not you plan to attend Radian s annual meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. Any stockholder as of the record date who attends the Radian annual meeting may revoke any previous proxy and vote in person instead of by proxy. Also, a proxy may be revoked in writing at any time before the Radian annual meeting.

By Order of the Board of Directors,
Edward J. Hoffman
General Counsel and Corporate Secretary

Philadelphia, Pennsylvania

April 26, 2012

Important Notice Regarding the Availability of Proxy Materials for the 2012 Annual Meeting of Stockholders to Be Held on May 30, 2012:

This proxy statement and our 2011 Annual Report to Stockholders are available at www.radian.biz/StockholderReports.

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RADIAN GROUP INC.

1601 Market Street

Philadelphia, Pennsylvania 19103-2337

www.radian.biz

PROXY STATEMENT

FOR

2012 ANNUAL MEETING OF STOCKHOLDERS

The board of directors of Radian Group Inc. (Radian or the Company) is furnishing this proxy statement to solicit proxies for use at Radian s 2012 Annual Meeting of Stockholders (the annual meeting). A copy of the Notice of 2012 Annual Meeting of Stockholders accompanies this proxy statement. These materials are also available on the internet at www.radian.biz/StockholderReports. This proxy statement and the accompanying proxy card are being mailed to stockholders beginning on or about April 27, 2012, in order to furnish information relating to the business to be transacted at the meeting.

INFORMATION ABOUT VOTING

Who Can Vote

Only stockholders of record on the close of business on April 13, 2012, the record date, may vote at the annual meeting. On the record date, we had 133,290,984 shares of our common stock outstanding and entitled to vote at the annual meeting. For each share of common stock you held on the record date, you will be entitled to one vote on each matter submitted to a vote of stockholders. There is no cumulative voting.

What Shares Can Be Voted

You may vote all shares of our common stock owned by you as of the close of business on the record date. These shares include:

Shares held directly in your name as the stockholder of record; and

Shares of which you are the beneficial owner but not the stockholder of record. These are shares not registered in your name but registered in street name through an account with a bank, broker or other holder of record (a nominee), including shares you may own in the Radian Group Inc. Savings Incentive Plan.

How Shares May Be Voted

Before the annual meeting, you can vote by completing, signing and returning by mail the enclosed proxy card.

Many of our stockholders who hold their shares in street name through a nominee have the option to submit their proxies or voting instructions to their nominee electronically by telephone or the internet. These stockholders should review and follow the voting instructions forwarded by their nominee. Our stockholders of record may not vote by telephone or internet.

You also may vote your shares at the annual meeting if you attend in person. If you hold your shares in street name and wish to vote in person at the annual meeting, you must obtain a legal proxy from your nominee.

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You may revoke your proxy at any time before it is voted by providing to our Corporate Secretary a written instrument revoking it or a duly executed proxy bearing a later date. You also may revoke your proxy by attending the annual meeting and giving notice of revocation. Attendance at the annual meeting, by itself, will not constitute revocation of a proxy.

Your vote is important to Radian. We encourage you to complete, sign and return the proxy card accompanying this proxy statement even if you plan to attend the annual meeting. You can always change your vote before the meeting or at the meeting, as described above.

Quorum and Votes Required for Approval

A quorum is necessary for us to conduct the business of the annual meeting. This means that holders of at least a majority of the shares entitled to vote must be present at the meeting, either in person or represented by proxy. Your shares are counted as present at the annual meeting if you attend the annual meeting and vote in person or if you properly complete and return a proxy.

Our directors are elected by majority voting (Proposal 1). For an uncontested election of directors, a director is elected only if the number of shares voted For that director exceeds the number of shares voted Against that director. If a sitting director fails to receive a majority of the votes cast, our board of directors will determine within 90 days of the meeting whether to accept the resignation of such director, unless the director retires during this 90 day period. If a nominee fails to receive a majority of the votes casts, he or she would not be elected and, as a result, there would be a vacancy created on the board. Our board would then have the option under our By-Laws either to appoint someone to fill the vacancy or to reduce the size of the board.

Approval of the advisory, non-binding vote on the overall compensation of the Company s named executive officers (Proposal 2) requires the affirmative vote of a majority of the votes cast by the stockholders present in person or by proxy at the annual meeting.

The ratification of the appointment of Radian s independent registered public accounting firm (Proposal 3) requires the affirmative vote of a majority of the votes cast by the stockholders present in person or by proxy at the annual meeting.

A broker non-vote occurs when a member firm of the New York Stock Exchange (NYSE) that holds shares in street name for its customer votes the customer s shares on one or more, but not all, matters on the proxy card because: (1) the nominee was instructed not to vote on certain matters; or (2) the nominee did not receive instructions from its customer as to how to vote on the unvoted matter(s), and therefore, does not have authority to vote on such matter(s). The missing vote on each such matter is a broker non-vote. Under applicable rules and regulations, such member firms are not permitted to vote on certain matters without instructions from the beneficial owner of the underlying shares. We believe that brokers have the authority to vote their customers shares on the ratification of the appointment of our independent registered public accounting firm (Proposal 3), even if their customers do not instruct their nominees how to vote on this matter, and no authority to vote their customers shares with respect to any other proposal unless instructed how to vote.

Broker non-votes and abstentions with respect to any proposal will be considered present for purposes of determining whether a quorum exists, but will not be counted as votes cast. Abstentions also will be counted as present and entitled to vote.

How Will Proxies Be Voted

The shares represented by a validly completed proxy card will be voted at the meeting in accordance with the instructions given on the proxy card. If you complete your proxy card properly, but do not provide instructions on your proxy card as to how to vote your shares, your shares will be voted as follows:

Proposal 1: For the election of all directors nominated by our board of directors (and, if unforeseen circumstances make it necessary for our board of directors to substitute another person for any of the nominees, your shares will be voted for that other person);

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Proposal 2: For approval of the overall compensation of the Company s named executive officers as described in the Compensation Discussion and Analysis and the accompanying tabular and narrative disclosures;

Proposal 3: For the ratification of the appointment of PricewaterhouseCoopers LLP as Radian s independent registered public accounting firm for 2012; and

In accordance with the judgment of the individuals named as proxies on the proxy card as to any other matter properly brought before the annual meeting. We currently know of no other matter to be presented at the annual meeting.

Where to Find Voting Results

We will announce the voting results at the conclusion of the annual meeting, if practicable, and we will publish the voting results in a Current Report on Form 8-K within four business days after the conclusion of the annual meeting.

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PROPOSAL 1

ELECTION OF DIRECTORS

Our Certificate of Incorporation and our By-Laws provide for the annual election of directors. These organizational documents also provide that the number of directors, which shall not be less than nine or more than fourteen, shall be determined by our board of directors.

Upon election, each of our directors serves a one-year term and until his or her successor has been duly elected and qualified, or until his or her earlier removal or resignation. Our board of directors currently consists of Herbert Wender, David C. Carney, Howard B. Culang, Lisa W. Hess, Stephen T. Hopkins, Sanford A. Ibrahim, James W. Jennings, Ronald W. Moore, Jan Nicholson, Robert W. Richards, Anthony W. Schweiger and Noel J. Spiegel.

Upon the completion of their current terms at the annual meeting, Messrs. Jennings, Richards and Schweiger will be retiring, and therefore, will not be standing for reelection. Upon the recommendation of the Governance Committee of our board of directors, the board has nominated each of our current directors, other than Messrs. Jennings, Richards and Schweiger, for reelection. In addition to these nine nominees for reelection, our board also has nominated three new independent directors for election to the board Brian D. Montgomery, Gaetano Muzio and Gregory V. Serio. All nominees (other than Mr. Ibrahim) are independent under applicable independence rules of the SEC and NYSE, and all nominees have consented to be named in this proxy statement and to serve if elected. If, at the time of the annual meeting, any nominee is not available for election, proxies may be voted for another person nominated by the board, or the size of the board may be reduced.

The nominations of Messrs. Montgomery, Muzio, and Serio represent a continuation of the board s succession planning efforts to further supplement and complement the breadth and depth of the board s expertise. This process began last year with the addition of Ms. Hess and Mr. Spiegel to the board, which further strengthened the board s audit and capital markets oversight capabilities. By making these further changes to the board in 2012, the board is enhancing its operating and insurance regulatory expertise, while gaining valuable insight into federal housing policies, an area that will continue to be of significant consequence to the Company in the future. The addition of three new directors in 2012, together with the recent additions of Ms. Hess and Mr. Spiegel, will result in the addition of five new directors to the board within the last two years.

The retirement of Messrs. Jennings, Richards and Schweiger upon completion of their current terms at the 2012 annual meeting will maintain the current size of the board at twelve directors. It is the current intention of the board not to increase the board beyond twelve directors, and ultimately, to reduce the size of the board over time.

Biographical Information for Director Nominees

Biographical information for each of the director nominees is provided below along with a discussion of each nominee s specific experience, qualifications, attributes or skills that have led the board to conclude that he or she should be nominated for election or reelection.

Herbert Wender	Mr. Wender, 74, has served as non-executive Chairman of our board of directors since May 2005. He also previously served in this role from August 1992 to May 1999 and as Lead Director from May 1999 until his current appointment. Mr. Wender served as Chairman of the Board and Chief Executive Officer of Radian Guaranty Inc., our principal mortgage insurance subsidiary (Radian Guaranty), from June 1983 until July 1992. Between 1998 and 2001, Mr. Wender also served as a director and Vice Chairman of

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LandAmerica Financial Group, Inc., a title insurance company. Before that, he was Chairman of the Board and Chief Executive Officer of LandAmerica Financial Group s predecessor, Commonwealth Land Title Insurance Company. He has been a director of Radian since July 1992.

Mr. Wender s extensive leadership experience on our board of directors, his intimate familiarity with Radian, his prior management experience as Chief Executive Officer of our mortgage insurance subsidiary and his industry experience give him the expertise, skills and judgment to serve as a director and non-executive Chairman. Under Mr. Wender s guidance, our board of directors oversaw our navigation through the recent turbulent economic environment with a thoughtful, measured approach that we believe has positioned Radian well for the future.

David C. Carney

Mr. Carney, 74, has served as President of Carney Consulting since March 1995. He served as Executive Vice President of Jefferson Health Systems, the parent company of a regional network of health care providers, from October 1996 until May 1999. Before that, he served as Chief Financial Officer of CoreStates Financial Corp, a banking and financial services holding company. Mr. Carney is a Certified Public Accountant and served as Philadelphia Area Managing Partner for Ernst & Young LLP from 1980 through 1991. Mr. Carney served as Chairman of the Board of ImageMax, Inc., a provider of outsourced document management solutions, from 1999 through 2003. Mr. Carney currently serves as a director and Chairman of the Audit Committee of AAA Northern California, Nevada and Utah Insurance Exchange, a major property and casualty insurer. He also serves as a director of AAA Mid-Atlantic, Inc. and AAA Club Partners. He has been a director of Radian since November 1992.

Mr. Carney s service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. Mr. Carney s experience as a CPA, as managing partner of the Philadelphia area offices of one of the big four nationally recognized accounting firms, and as a Chief Financial Officer of a large, publicly-traded financial institution give him particular financial expertise and management experience relevant to his qualifications as a director and as the Chairman of the Audit Committee of our board of directors. In addition, Mr. Carney s consulting experience and service on other boards of directors give him a broad perspective and insight on effectively running and advising a business.

Howard B. Culang

Mr. Culang, 65, served as President of Laurel Corporation, a financial services firm, from January 1996 through December 2011. Mr. Culang was a Managing Member of JH Capital Management LLC, a management company for a private equity fund, from July 1998 to December 2010, and of Cognitive Capital Management LLC, a management company for a fund of hedge funds, from April 2001 to December 2005. In the past, he has served as Vice Chairman of Residential Services Corporation of America, the holding company for Prudential Home Mortgage, Lender s Service, Inc. and Prudential Real Estate Affiliates, and as a Managing Director and member of the Executive Committee of the Prudential Home Mortgage Company, where he worked from November 1985 to December 2005. Mr. Culang also held a number of senior management positions with Citibank, N.A., including as a Senior Credit Officer. Mr. Culang currently serves as a director of ioSemantics LLC, a software company. He has been a director of Radian since June 1999.

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Mr. Culang s service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. In addition, his significant management experience in the mortgage and financial services industries gives him valuable expertise and a broad understanding of the mortgage business. These experiences are particularly relevant in Mr. Culang s role as Chairman of the Credit Committee of our board of directors.

Lisa W. Hess

Ms. Hess, 56, has been President and Managing Partner of SkyTop Capital Management LLC, an investment fund, since October 2010. From October 2002 to December 2008, she was the Chief Investment Officer of Loews Corporation, a diversified holding company, where she was responsible for managing approximately $50 billion in assets. Ms. Hess was a Founding Partner of Zesiger Capital Group, a diversified money manager, and also has held positions at First Boston Corporation, Odyssey Partners and Goldman, Sachs & Co. and has served on the U.S. Treasury Debt Advisory Committee and the Federal Reserve Bank of New York Investors Advisory Committee. Since June 2009, Ms. Hess has been a Trustee of Teachers Insurance and Annuity Association (TIAA), serving on the investment, real estate, customers and products and corporate governance committees. She was appointed as a director of Radian in February 2011.

Ms. Hess s extensive experience managing financial assets, including in her current role with SkyTop Capital Management LLC, as a chief investment officer of Loews Corporation, and as a member of various investment and advisory committees, gives her a broad range of expertise with respect to investments and the capital markets that is particularly beneficial to the board and its Finance and Investment Committee. Her current position as President and Managing Partner of SkyTop Capital Management LLC brings a current, day-to-day business perspective that is valuable in enhancing board oversight during today s challenging operating environment. In addition, her experience serving on the corporate governance committee at TIAA brings an added perspective and insight to the board s consideration of corporate governance issues and the concerns of institutional shareholders.

Stephen T. Hopkins

Mr. Hopkins, 62, is President of Hopkins and Company LLC, a management consulting business he formed in February 1999. From 1976 to January 1999, he held a number of managerial positions with Federal Home Loan Mortgage Corporation, a government sponsored enterprise that purchases and securitizes qualified mortgage loans, serving as Senior Vice President and National Sales Director from April 1994 through August 1998. He has been a director of Radian since June 1999.

Mr. Hopkins service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. Additionally, Mr. Hopkins experience of more than 20 years with the Federal Home Loan Mortgage Corporation gives him specialized insight into the home mortgage industry and the role of government sponsored enterprises within the industry. Because Radian works closely on a regular basis with such government sponsored enterprises, Mr. Hopkins experience is especially valuable in this regard. Having served as an executive officer, he has broad general management experience and expertise to apply to many aspects of Radian s business, including in his role as Chairman of the Compensation and Human Resources Committee of our board of directors.

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Sanford A. Ibrahim	Mr. Ibrahim, 60, has served as Radian s Chief Executive Officer since May 2005. Before joining Radian, from 1999 until April 2005, Mr. Ibrahim was President and Chief Executive Officer of GreenPoint Mortgage Funding, Inc., a residential mortgage lender. In 1999, Mr. Ibrahim served as Chief Operating Officer of the combined mortgage businesses of GreenPoint Financial Corp., the former parent company of GreenPoint Mortgage Funding Inc., and from 1997 through 1998, served as an Executive Vice President of GreenPoint Financial Corp. Mr. Ibrahim is a member of the board of directors of the California Mortgage Bankers Association and the Institute for International Education. In the past, he also has served as a member of the Residential Board of Governors of the Mortgage Bankers Association of America. He has been a director of Radian since joining us in May 2005.
	Mr. Ibrahim was appointed to be our CEO because of his strong leadership skills and his exceptional industry knowledge, background and reputation. As discussed above, Mr. Ibrahim has extensive industry-specific management experience and expertise and has served in leadership roles in relevant professional associations. In addition, in his role as both a board member and CEO, Mr. Ibrahim serves as an important liaison between the board and management, a role that is extremely valuable in helping the board perform its oversight function. Importantly, Mr. Ibrahim s strong leadership as CEO has been instrumental in guiding Radian through an extremely challenging economic and financial environment and in positioning Radian for long-term success.
Brian D. Montgomery	Mr. Montgomery, 55, serves as Chairman of The Collingwood Group, LLC (Collingwood), a business consulting firm that provides advice to corporate leadership on a range of issues within the financial services and mortgage banking industries. Prior to joining Collingwood in August 2009, Mr. Montgomery served as the Assistant Secretary for Housing and Commissioner of the Federal Housing Administration (FHA) within the U.S. Department of Housing and Urban Development from June 2005 to July 2009. Before serving as Commissioner of the FHA, from January 2003 to April 2005, Mr. Montgomery served in the White House as Deputy Assistant to the President and Cabinet Secretary, as well as Deputy Assistant to the President and Director of Presidential Advance. Mr. Montgomery was Chairman of the Hope for Homeowners Oversight Board from 2008 to 2009 and served as a board member of the Federal Housing Finance Board from 2005 to 2008.
	Mr. Montgomery brings with him a significant understanding of the mortgage industry, a deep knowledge of federal housing policies and significant experience in the federal regulation of housing. We expect that this expertise will be extremely valuable in helping to guide the Company through the regulatory and legislative challenges that it is currently facing.
Ronald W. Moore	Mr. Moore, 66, was an Adjunct Professor of Business Administration at Harvard Business School from 1990 until 2010. From 1974 to 1990, he held a number of positions at Shearson Lehman Brothers Inc., including as Managing Director. Mr. Moore has been a director of Radian since November 1992.
	Mr. Moore s service as a director of Radian gives him significant knowledge of Radian, its history and its businesses. Mr. Moore s background in business

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administration gives him a unique perspective on our business and provides the board with access to different and current views on the issues facing the Company and its businesses. Mr. Moore s experience in investment banking also is particularly relevant to Radian s participation in the financial and capital markets and in his role as Chairman of the Finance and Investment Committee of our board of directors.

Gaetano Muzio

Mr. Muzio, 58, is the co-founder of Ocean Gate Capital Management, LP, an investment fund. For 27 years prior to founding Ocean Gate, Mr. Muzio worked at Goldman Sachs in various positions, including serving as a Managing Director from 1996 until 2004. In 1986, he became the first Global Mortgage and Asset Backed Sales Manager responsible for creating the sales team and strategy and was also one of the founding members of Goldman s Mortgage and Asset Backed Department. In 1990, he became a general partner and Co-Head of the Mortgage Department, with responsibilities for overseeing trading, risk management, sales, research, structured finance and compliance for the department.

Mr. Muzio brings to the board a broad understanding of the mortgage industry. In addition, his significant experience in finance, risk management and corporate governance and strategy gives him extensive expertise in several areas that the board expects to be valuable.

Jan Nicholson

Ms. Nicholson, 67, has been President of The Grable Foundation, a private, charitable foundation that is dedicated to helping children and youth through improving their educational opportunities, since 1990. From 1998 to 2000, she was Managing Director of MBIA Insurance Corporation, a financial guaranty insurer, where she oversaw Portfolio Management and Strategic Risk Assessment functions. From 1994 to 1998, Ms. Nicholson was Managing Director in charge of Research and Development for Capital Markets Assurance Corporation, a financial guaranty insurer.
Ms. Nicholson has been a director of Ball Corporation, a supplier of metal and plastic packaging products and of aerospace and other technologies, since 1994. She has been a director of Radian since September 2003.

Ms. Nicholson s management experience in the financial guaranty industry, and banking experience focused on derivatives, securitizations and workouts of large commercial real estate loans provide a breadth of knowledge regarding the financial sector. Her specific experience in debt portfolio management and risk assessment are particularly important in supporting the board s risk oversight responsibilities.

Gregory V. Serio

Mr. Serio, 50, has served as a partner with Park Strategies, LLC, a management and government relations consulting firm, since January 2005. He currently serves as the head of Park Strategies risk and insurance management practice group. Prior to joining Park Strategies, Mr. Serio served as Superintendent of Insurance for the State of New York from May 2001 to January 2005. Before serving as Superintendent, from January 1995 until his appointment as Superintendent in 2001, Mr. Serio served as First Deputy Superintendent and General Counsel of the New York Insurance Department. Mr. Serio also has served as the Chairman of the Government Affairs Task Force of the National Association of Insurance Commissioners (NAIC) and as a member of and NAIC representative on the Financial Services and Banking Information Infrastructure Committee of the United States Treasury.

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Mr. Serio brings to the board extensive knowledge and experience in the insurance industry. His in-depth understanding of insurance regulatory matters, combined with his risk management experience and expertise, is expected to further strengthen the board s oversight and perspective in these areas.

Noel J. Spiegel

Mr. Spiegel, 64, was a partner at Deloitte & Touche, LLP, where he practiced from September 1969 until May 2010. In his over 40 year career at Deloitte, he has served in numerous management positions, including as Deputy Managing Partner; member of Deloitte s Executive Committee; Managing Partner of Deloitte s Transaction Assurance practice, Global Offerings and IFRS practice and Technology, Media and Telecommunications practice (Northeast Region); and as Partner-in-Charge of Audit Operations in Deloitte s New York Office. Mr. Spiegel currently serves on the board of directors of American Eagle Outfitters, Inc. He was appointed as a director of Radian in February 2011.

Mr. Spiegel s significant prior service as a partner at Deloitte provides him with a depth of experience in management, financial reporting, risk management, and public accounting and finance that is of significant value to the board and its Audit Committee. In addition, his work with many public companies as an independent auditor provides him with a unique perspective and depth of insight with respect to corporate governance, board leadership and corporate strategy.

Additional Information Regarding Directors

For additional information regarding our board of directors, its standing committees, and our standards for corporate governance and director independence, refer to the sections entitled Corporate Governance and Board Matters and Compensation of Executive Officers and Directors Director Compensation below.

Recommendation

RADIAN S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE DIRECTOR NOMINEES. SIGNED PROXIES WILL BE VOTED FOR EACH OF THE DIRECTOR NOMINEES UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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PROPOSAL 2

ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS

We are providing our stockholders with the opportunity to approve, on an advisory, non-binding basis, the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section of this proxy statement and the accompanying tabular and narrative disclosures. This vote is intended to provide an overall assessment of our executive compensation program rather than focus on any specific item of compensation.

Our executive compensation program is designed to attract, motivate and retain high quality executive officers and to link our pay-for-performance philosophy with sound risk management practices and our overall strategic objectives. As further discussed below in Compensation of Executive Officers and Directors Compensation Discussion and Analysis, in 2008, in the midst of a financial crisis and the collapse of the U.S. housing market, the Compensation and Human Resources Committee of our Board of Directors (the Committee) recognized a need to redefine our approach to pay-for-performance in order to maintain an effective compensation program in a challenging environment. Accordingly, beginning in 2008, the Committee adjusted our compensation programs to emphasize those priorities that were critical for surviving the financial crisis and for positioning the Company to create long-term stockholder value. We believe the Committee s approach to compensation throughout this period has been successful in motivating our named executive officers to overcome a number of difficult challenges. We believe these efforts, which are more fully discussed below, largely are the reason for our on-going viability and continued strong market presence in the mortgage insurance industry.

As further discussed in Compensation of Executive Officers and Directors Compensation Discussion and Analysis, it is important to note the following with respect to our executive compensation program:

- As a result of our financial performance during the financial crisis and protracted housing market downturn, our named executive officers have collectively lost over $16.7 million in the value of equity awards granted to them since 2005. In addition, each of our named executive officers has received a below-target short-term incentive or STI award for each of the last five years, including for 2011 Mr. Ibrahim received $0 in STI and medium-term incentive or MTI in two of these years. At the same time, throughout this period, our named executive officers have led the Company through a difficult operating environment by executing a business plan aimed at positioning the Company to deliver long-term stockholder value. We believe the Company is better positioned today due to these achievements, and in 2011, we recognized these efforts by making payments to our named executive officers pursuant to non-equity, long-term incentive or LTI awards that had been granted to them in 2008 (the 2008 Non-Equity LTI Award). These payouts were significant to reflect the level of commitment and effort required of management to achieve the Company s objectives we believe this is a good example of a high level of achievement resulting in a high level of reward, which is consistent with our overall pay-for-performance philosophy.

- Our named executive officers total reported compensation increased in 2011, primarily as a result of two items the payout of the 2008 Non-Equity LTI Award mentioned above and the form and applicable SEC reporting requirements for our LTI awards. The confluence of these two impacts on 2011 reported compensation is more fully explained in our Compensation Discussion and Analysis. In light of these particular items, we believe the increase in reported 2011 total compensation may be characterized as an anomaly and not a trend, and we expect that total reported compensation for our named executive officers, and especially for our CEO, will decrease in 2012.

Fixed compensation continues to represent a limited portion of our named executive officers total compensation. Base salary represented only 16% of Mr. Ibrahim s 2011 total target compensation and, on average, only 28% of the total target compensation for each of our other named executive officers.

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In 2011, we continued to incorporate a medium-term incentive award into our short-term incentive program. This program effectively makes payment of half of the annual short-term incentive compensation further contingent upon: (i) the performance of new mortgage insurance that was written during the initial, short-term performance period; and (ii) the on-going integrity of our financial results. We believe that we are the only participant in the mortgage insurance and financial guaranty industries that has adopted this longer-term, pay-at-risk approach for evaluating short-term decisions.

Our 2011 LTI awards consisted entirely of performance-based equity awards. In 2011, we granted to our named executive officers performance-based restricted stock units and performance-based stock options. As discussed in more detail in our Compensation Discussion and Analysis, the 2011 awards are highly formulaic, and therefore, are objectively measurable by our named executive officers and stockholders. As the environment becomes more certain and predictable for the Company, we expect our overall approach to compensation to continue to become less qualitative and more formulaic, with a heavier focus on more traditional measures of performance.

We have fully implemented our new termination pay strategy by entering into new severance agreements with our named executive officers and eliminating all change of control agreements with these executive officers.

We eliminated our perquisite program for executive officers, effective January 1, 2012.

To fully appreciate and evaluate the Company s compensation program, we believe it is important to understand that the Company s circumstances are unique, both within the broader financial services industry and within our specific industries mortgage insurance and financial guaranty. For example, unlike many financial service companies (including companies against which we have been compared), we are not a bank, we did not receive assistance from the federal government, and given our lines of business, we have been especially susceptible to the performance of the housing market, which has remained depressed despite improvement in the overall economy. Consequently, there are very few comparable peers or appropriate benchmarks against which to measure our performance. As a result of our unique circumstances, we have had to reconsider our approach to compensation, including how we think about pay-for-performance and how performance is best defined and measured in this environment. For more background regarding our approach to compensation, we urge you to read *Radian s Compensation Program The Company s Perspective and Philosophy* as part of our Compensation Discussion and Analysis.

While this vote is advisory and non-binding, our board of directors values the opinion of our stockholders and will take into account the outcome of the vote when considering future executive compensation matters. We are asking our stockholders to indicate their support for the compensation of our named executive officers by voting FOR this proposal and the following resolution:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company s Proxy Statement for the 2012 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures.

Recommendation

RADIAN S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT. SIGNED PROXIES WILL BE VOTED FOR APPROVAL UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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PROPOSAL 3

RATIFICATION OF THE APPOINTMENT

OF PRICEWATERHOUSECOOPERS LLP

General

The Audit Committee of our board of directors is responsible for selecting an independent registered public accounting firm to perform the annual audit of our financial statements. The Audit Committee s appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm for 2012 is being submitted to our stockholders for ratification. A representative of PwC is expected to attend our annual meeting, will have an opportunity to make a statement if he or she desires, and will be available to respond to questions.

If the stockholders fail to ratify the appointment of PwC, the Audit Committee will reconsider whether or not to retain the firm. You should note that, even if the appointment of PwC is approved at the annual meeting, the Audit Committee, in its discretion, may select a new independent registered public accounting firm at any time if it determines that such a change would be in our best interests and those of our stockholders.

Independent Registered Public Accounting Firm Fees and Services

The following is a summary of the fees billed for professional services rendered to Radian by PwC for the fiscal years ended December 31, 2011 and December 31, 2010:

Type of Fees	2011	2010*
Audit Fees	$4,456,000	$ 5,399,106
Audit-Related Fees	40,000	297,810
Tax Fees	131,928	77,167
All Other Fees	23,261	144,283
Total	$ 4,651,189	$ 5,918,366

* Audit and Audit-Related Fees for 2010 have been adjusted to reconcile differences in the final fees billed for 2010 compared to previously reported estimates.

For purpose of the above table, in accordance with the SEC s definitions and rules:

Audit Fees are fees for professional services for the audit of the financial statements included in our Annual Report on Form 10-K (which includes an audit of our internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002), for the review of our financial statements included in our Quarterly Reports on Form 10-Q, and for services that normally are provided in connection with statutory and regulatory filings.

Audit-Related Fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and which are not reported under Audit Fees, including services related to employee benefit plan audits, the filing of registration statements and consultation on reporting matters.

Tax Fees are fees for tax compliance, tax advice and tax planning.

All Other Fees are fees for products and services provided by our independent registered public accounting firm other than those services reported above, including services provided in connection with the implementation of a new claims management system in 2011 and 2010.

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All services provided by PwC and listed in the table above were pre-approved by the Audit Committee. The Audit Committee considered the nature and proposed extent of the non-audit services provided by the independent registered public accounting firm and determined that those services were in compliance with the provision of independent audit services by such firm.

Pre-Approval Policy

In addition to retaining PwC to audit our consolidated financial statements for 2011, we retained PwC to provide other auditing and advisory services as discussed above. We understand the need for PwC to maintain objectivity and independence in its audit of our financial statements. To minimize relationships that could appear to impair the objectivity of PwC, our Audit Committee is required to pre-approve all non-audit work performed by PwC in accordance with applicable SEC rules and our pre-approval policy.

Recommendation

RADIAN S BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS RADIAN S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2012. SIGNED PROXIES WILL BE VOTED FOR RATIFICATION UNLESS A STOCKHOLDER GIVES OTHER INSTRUCTIONS ON THE PROXY CARD.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Board of Directors and its Standing Committees

Our board of directors holds regular quarterly meetings, and holds special meetings as and when necessary. Our full board met 10 times during 2011. Our non-management directors meet in executive session at the conclusion of each regularly scheduled board meeting and frequently meet in executive session following each special meeting of the board. Each director participated in at least 75% of the meetings of the board and the committees on which he or she served during 2011. Herbert Wender, non-executive Chairman of the Board, presides over all meetings of the board, including meetings of the independent members of the board.

As discussed below, all of our directors, except our Chief Executive Officer, satisfy the requirements for independent directors under the NYSE listing standards and SEC rules. Our policy is that all of our directors are expected to attend our annual meeting, and all of the directors attended last year s annual meeting.

The board of directors maintains the following standing committees:

Audit Committee. The current members of the Audit Committee are Mr. Carney (Chairman), Mr. Jennings, Ms. Nicholson, Mr. Richards and Mr. Spiegel, each of whom is independent under the NYSE s listing standards, and each of whom meets the additional NYSE independence criteria applicable to audit committee members. All current members of the Audit Committee served on the committee in 2011; Mr. Spiegel was appointed to the committee upon joining the board on February 9, 2011. This committee is responsible for appointing and overseeing the work of our independent registered public accounting firm, reviewing our annual audited and interim financial results, and reviewing our accounting and reporting principles and policies. Our board has determined that Mr. Carney qualifies as an audit committee financial expert under the SEC s rules and that he is independent under all applicable NYSE and SEC rules. The Audit Committee met 14 times during 2011. See Audit Committee Report below for additional information regarding the work of this committee.

Compensation and Human Resources Committee. The current members of the Compensation and Human Resources Committee are Messrs. Hopkins (Chairman), Culang, Moore and Schweiger. This committee oversees compensation and benefit policies and programs for Radian and its subsidiaries, including compensation of senior management, and reviews the quality and depth of officers throughout Radian as well as our management development and succession practices and programs. The Compensation and Human Resources Committee met 12 times during 2011. See Compensation of Executive Officers and Directors Compensation Discussion and Analysis for additional information regarding the work of this committee.

Credit Committee. The current members of the Credit Committee are Mr. Culang (Chairman), Mr. Carney, Mr. Hopkins and Ms. Nicholson. This committee oversees our credit and related risk management policies and procedures, including oversight of our systems for identifying and quantifying emerging matters that could pose significant risk implications for Radian. This committee reviews our credit-based risks, credit policies and overall credit management. Specifically, this committee reviews the quality of our mortgage insurance and financial guaranty portfolios, and assesses general compliance with underwriting and diversification guidelines. The Credit Committee met six times during 2011.

Governance Committee. The current members of the Governance Committee are Messrs. Schweiger (Chairman), Carney, Hopkins and Jennings. This committee oversees the process of board governance, which includes: identifying and recommending candidates to become members of our board of directors, including any candidates recommended by stockholders; recommending committee membership and chairperson appointments; conducting regular board and individual director assessments; and examining our governance process. The Governance Committee met five times during 2011. For a discussion of the board nomination process, see Consideration of Director Nominees below.

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Finance and Investment Committee. The current members of the Finance and Investment Committee are Mr. Moore (Chairman), Ms. Hess and Messrs. Jennings, Richards and Schweiger. All current members of the Finance and Investment Committee served on the committee in 2011; Ms. Hess was appointed to the committee upon joining the board on February 9, 2011. This committee establishes investment policy guidelines for Radian and its subsidiaries and monitors progress towards achieving our investment objectives. This committee also regularly reviews the performance of the investment portfolio and of the investment professionals overseeing the portfolio to ensure adherence to our investment policy guidelines. The Finance and Investment Committee met four times during 2011.

For a discussion of our board and its committees roles in risk oversight of the Company, see Board and Board Committee Roles in Risk Oversight below.

Board Leadership Structure

Since May 2005, we have separated the positions of Chairman of the Board and Chief Executive Officer. We believe that the separation of these positions enhances the independent oversight of the Company and the monitoring and objective evaluation of the Chief Executive Officer s performance, and ensures that the board is fully engaged with the Company s strategy and can effectively evaluate its implementation.

Mr. Wender, serving as non-executive Chairman of our board of directors, is independent of management and, as provided in our Guidelines of Corporate Governance, is responsible for the management, development and effective performance of the board and for serving in an advisory capacity to the Chief Executive Officer and to other members of management in all matters concerning the interests of the board. The non-executive Chairman of the Board sets the agenda for board meetings and presides over meetings of the board. Mr. Ibrahim, in his role as the Chief Executive Officer, is responsible for the strategic direction of the Company and the day to day leadership and performance of the Company. As described in our Guidelines of Corporate Governance, the responsibilities of the Chief Executive Officer include determining corporate strategies and policies, ensuring complete and accurate disclosures of financial, operational and management matters to the board, and informing the board so they are current with respect to Company, industry, and corporate governance matters.

Board and Board Committee Roles in Risk Oversight

Our board of directors is actively involved in the oversight of risks that could affect the Company. The full board is responsible for the general oversight of risks. In this regard, the board seeks to understand and oversee the most critical risks relating to our business, allocate responsibilities for the oversight of risks among the full board and its committees, and ensure that management has in place effective systems and processes for managing all current risks facing us, as well as those that could arise in the future. On a quarterly basis, the board meets with management to review the Company s enterprise risk management (ERM) process, which is designed to identify, assess, manage and mitigate risks. As part of this process, the board discusses the significant risks and exposures facing the Company and assesses the steps management is taking to minimize such risks.

The board conducts certain aspects of its risk oversight function through its committees. Each committee has full access to management, and has the ability to engage advisors as appropriate. Specifically, each committee is charged with the following risk oversight responsibilities:

The Audit Committee regularly inquires of management, the Company s Chief Audit Executive, and the Company s independent auditors regarding significant risks or exposures facing the Company and the steps taken by management to minimize such risks. In particular, the Audit Committee reviews and discusses our financial risk exposures, including the risk of fraud, and legal and compliance risks.

The Credit Committee is primarily responsible for the oversight of our credit and related risk management policies and procedures, including the potential effect of developing risk trends in our insured portfolio. The Credit Committee regularly considers significant credit-based risks and exposures faced by the Company and assesses the steps management has taken to manage those risks, as well as our surveillance activities for identifying problem credits and emerging matters with significant risk implications.

The Compensation and Human Resources Committee monitors our executive compensation programs to ensure that they are appropriately aligned with our compensation philosophy, are achieving their intended purposes, and are not encouraging inappropriate risk-taking. See Compensation of Executive Officers and Directors Compensation Principles and Objectives In addition, the Compensation and Human Resources Committee annually reviews with management a risk assessment of all of the Company s compensation policies and procedures. Based on this review, the Company has concluded that its compensation policies and procedures are not reasonably likely to have a material adverse effect on the Company or to encourage inappropriate risk-taking.

The Finance and Investment Committee establishes and regularly reviews compliance with our investment guidelines and monitors risk in our investment portfolio. The Finance and Investment Committee also oversees risks related to our capital management.

The Governance Committee oversees our related person transaction policy to ensure that we do not engage in transactions that would create or otherwise give the impression of a conflict of interest that could result in harm to us. See Certain Relationships and Related Person Transactions.

The board conducts its oversight responsibility through reports provided by each committee chair regarding each committee s considerations and actions, as well as through discussions and reports from management regarding any significant and other known risks.

Director Independence

Our Guidelines of Corporate Governance provide that a substantial majority of our board of directors must consist of independent directors, as independence is determined under the NYSE s listing standards and applicable SEC rules. Our board of directors has determined that all of the members of the board, except Sanford A. Ibrahim, are independent under current NYSE listing standards and SEC rules. In evaluating the independence of each of these directors, the board concluded that no material direct or indirect relationship exists between us and any of these directors other than those compensatory matters that are a direct consequence of serving on our board of directors and which are detailed below in Compensation of Executive Officers and Directors Director Compensation.

Compensation and Human Resources Committee Interlocks and Insider Participation

Messrs. Hopkins (Chairman), Culang, Moore and Schweiger served on the Compensation and Human Resources Committee during 2011. No member of the Compensation and Human Resources Committee during 2011: (i) has ever been an officer or employee of Radian or any of its subsidiaries, or (ii) had any relationship with Radian or its subsidiaries during 2011 that would require disclosure under Item 404 of the SEC s Regulation S-K.

During 2011, none of our executive officers served as a director or member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any other entity, one of whose executive officers is or has been a director of Radian or a member of our Compensation and Human Resources Committee.

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Certain Relationships and Related Person Transactions

No relationship or related person transaction existed in 2011 that is required to be reported under Item 404 of the SEC s Regulation S-K.

Our board of directors has adopted a written policy regarding related person transactions to document procedures pursuant to which such transactions are reviewed, approved or ratified. The policy applies to any transaction, other than certain excluded transactions such as compensation arrangements with executive officers or directors that have been approved by the Compensation and Human Resources Committee, in which: (1) Radian or any of its subsidiaries was or is to be a participant; and (2) any related person had or will have a direct or indirect material interest. For purposes of this policy, a related person is any of our directors or nominees for director, any of our executive officers, any stockholder known to us to own in excess of 5% of Radian, and any immediate family member of one of our directors, nominees for director or executive officers. Under the policy, our Governance Committee is responsible for reviewing, pre-approving or ratifying any related person transaction. The Governance Committee may delegate its pre-approval (but not ratification) authority under the policy to the chairman of the committee.

The policy provides that the Governance Committee may approve or ratify a related person transaction (including, if applicable, as modified) only upon affirmatively concluding that the transaction: (1) is on terms comparable to those that could be obtained in arm s length dealings with an unrelated third party; (2) is consistent with the applicable independence rules of the SEC and NYSE; and (3) does not create or otherwise give the impression of a conflict of interest that could result in harm to us. If the Governance Committee determines that an existing related person transaction has failed to meet this standard for ratification, the transaction must be unwound promptly unless the Governance Committee further determines that: (i) the transaction was entered into in good faith (*i.e.*, in the absence of fraud and not with the intention of circumventing the pre-approval requirements of our related person transactions policy); and (ii) the risks to us of unwinding the transaction outweigh the risks associated with not unwinding the transaction.

Information on Our Website

The Corporate Governance section of our website (www.radian.biz) includes the following, each of which is also available in print and free of charge upon request:

Board Committee Charters. Each of the standing committees of our board of directors operates under a written charter adopted by the full board. Each committee regularly considers the need for amendments or enhancements to its charter.

Guidelines of Corporate Governance. Upon the Governance Committee s recommendation, our board of directors adopted our Guidelines of Corporate Governance. Among other things, these guidelines delineate the qualifications for our directors and the relative responsibilities of our board, its committees, our non-executive Chairman, our Chief Executive Officer and our Corporate Responsibility Officer. The Governance Committee and board regularly consider the need for amendments or enhancements to our Guidelines of Corporate Governance.

Code of Conduct and Ethics. Our Code of Conduct and Ethics is binding on all of our employees and directors, and includes a code of ethics applicable to our senior executive officers. Certain provisions of the code also apply to former employees and directors. We intend to post on our website any amendments to, or waivers of, any provision of the Code of Conduct and Ethics that applies to our Chief Executive Officer, principal financial officer or principal accounting officer or that relates to any element of the SEC s definition of a code of ethics.

Stockholder Communications. We encourage stockholders to freely communicate with management and our board. In that regard, we have established an email address that enables stockholders to convey their concerns, questions and comments to the members of our board. The address is: directors@radian.biz. In addition, interested persons may write to the non-executive Chairman, Radian Group Inc., 1601 Market Street, Philadelphia, Pennsylvania 19103-2337 or to Edward J. Hoffman, General Counsel and Corporate Secretary, at the same address. This contact information also is available on our website.

Annual Report and Proxy Statement. This Proxy Statement and our Annual Report to Stockholders are available at www.radian.biz/StockholderReports.

Any updated or amended versions of the items listed above will be posted to our website promptly after adoption. The information contained on our website is not deemed to be incorporated by reference into this proxy statement.

Consideration of Director Nominees

Director Qualifications. Our Governance Committee recommends candidates for nomination to our board of directors based on a number of factors, including the following minimum criteria: (i) the highest standards of personal character, conduct and integrity and the intention and ability to act in the best interests of our stockholders; (ii) the ability to understand and exercise sound judgment on issues related to Radian and its businesses; (iii) the ability and commitment to devote the time and effort required to serve effectively on our board, including preparation for and attendance at board and committee meetings; (iv) the ability to draw upon relevant experience and expertise in contributing to board and committee discussions; and (v) freedom from interests or affiliations that could give rise to a biased approach to directorship responsibilities and/or a conflict of interest, actual or perceived.

The board does not have a formal diversity policy. The board and the Governance Committee do consider diversity as a factor in identifying and evaluating director nominees. The Company considers diversity in a broad sense to mean differences of viewpoint, background, professional experience, and skill resulting in naturally varying perspectives, as well as diversity of race, gender, national origin and age. The board believes that diversity helps ensure comprehensive discussion of an issue from multiple perspectives before the board reaches a decision.

Identifying and Evaluating Director Nominees. In evaluating candidates for the board, the Governance Committee and the board of directors seek to foster a board that, as a unit, possesses the qualifications discussed above and the appropriate mix of skills, experience and diversity to oversee the Company s business. The Governance Committee does not aim to find directors who represent a single category or trait, but seeks nominees that supplement and complement the breadth and depth of board expertise.

When seeking and researching candidates for a new director nominee, the Governance Committee considers all qualified candidates identified by members of the Governance Committee, by other members of the board, by senior management, by national search firms and by stockholders (so long as such stockholders recommendations of candidates are submitted in accordance with the procedures described below). Messrs. Montgomery, Muzio and Serio were nominated for election to our board following a comprehensive search process, which included stockholder input. Messrs. Muzio and Serio initially were recommended to us by a stockholder with whom they currently have no other affiliation. Mr. Montgomery was recommended to us by one of our executive officers. This executive officer was familiar with Mr. Montgomery s work and experience in Washington and has no affiliation with Mr. Montgomery. In all cases, the Governance Committee will facilitate several interviews of a candidate if it believes the candidate to be suitable after an initial evaluation, and will perform a comprehensive background investigation on such candidate. The Governance Committee also may discuss a candidate at multiple meetings and have the candidate meet with members of senior management and the full board.

Stockholder Nominations and Recommendations. Our By-Laws describe the procedures for stockholders to follow in nominating candidates to our board of directors. For our 2013 annual meeting of stockholders, stockholders may nominate a candidate for election to our board of directors by sending written notice to our Corporate Secretary at our principal office, which must be received on or before March 1, 2013, but no earlier

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than January 30, 2013 (except that if the date of the 2013 annual meeting of stockholders is more than 30 days before or more than 60 days after the anniversary date of the 2012 annual meeting, notice by the stockholder must be received between the close of business on the 120th day before and the close of business on the 90th day before the date of the 2013 annual meeting or, if the first public announcement of the date of the 2013 annual meeting is less than 100 days before the date of the meeting, then the notice by the stockholder must be received by the 10th day after the public announcement).

The notice to our Corporate Secretary must contain or be accompanied by the information required by Section 4.13 of our By-Laws, which includes, among other things: (i) the name, age, principal occupation, and business and residence address of each person nominated; (ii) the class and number of shares of our capital stock which are directly or indirectly beneficially owned by each person nominated; (iii) the name and record address of the stockholder making the nomination and the beneficial owner, if any, on whose behalf the nomination is made; (iv) the class and number of shares of our capital stock owned by the stockholder making the nomination or the beneficial owner, if any, on whose behalf the nomination is made; and (v) a description of any direct or indirect compensation or other monetary agreements, arrangements or understandings, or any other material relationships (including any familial relationships) between the stockholder giving notice (or the beneficial owner) and the nominee or any respective affiliates, associates or others with whom they are acting, as well as certain other information. A copy of the full text of the relevant By-Law provisions, which includes the complete list of the information that must be submitted to nominate a director, may be obtained upon written request directed to our Corporate Secretary at our principal office. A copy of our By-Laws is also posted on the Corporate Governance section of our website (www.radian.biz).

In addition to a stockholder s ability to nominate candidates to serve on our board of directors as described above, stockholders also may recommend candidates to the Governance Committee for its consideration. The Governance Committee is pleased to consider recommendations from stockholders regarding director nominee candidates that are received in writing and accompanied by sufficient information to enable the Governance Committee to assess the candidate s qualifications, along with confirmation of the candidate s consent to serve as a director if elected. Such recommendations should be sent to our Corporate Secretary at our principal office. Any recommendation received from a stockholder after January 1 of any year is not assured of being considered for nomination in that year.

Evaluations of Board Performance

The Governance Committee conducts an annual assessment of each director s board performance and reviews the performance of the board as a whole and each of its committees. The board and each standing committee of the board also perform an annual self-assessment. As part of its annual assessment, the board may hire an independent governance expert to provide an unbiased perspective on the effectiveness of the board and its committees as well as director performance and board dynamics. The contributions of individual directors were considered by the Governance Committee as part of its determination of whether to recommend their nomination for re-election to our board of directors.

Audit Committee Report

The functions of the Audit Committee are outlined in its charter posted on the Corporate Governance section of our website (www.radian.biz) and include general responsibilities within the categories of oversight, audit and financial reporting, and compliance. The Audit Committee is directly responsible for the appointment, retention, compensation and oversight of a registered independent public accounting firm to audit our financial statements each year. The committee is also assigned other responsibilities, including, without limitation, to: (i) monitor the auditor s independence; (ii) monitor the professional services provided by the independent auditors, including pre-approving all audit and permissible non-audit services provided by the independent auditors in accordance with federal law and the rules and regulations of the SEC; (iii) review audit results with

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the independent auditors; (iv) review and discuss with management and the independent auditors our financial statements and other financial disclosures in our filings with the SEC; (v) establish procedures for receiving, retaining and treating complaints regarding our accounting and internal accounting controls or other auditing matters; and (vi) review with management, the independent auditors and our internal audit department our accounting and reporting principles, practices and policies and the adequacy of our internal control over financial reporting.

Before our Annual Report on Form 10-K for the year ended December 31, 2011 was filed with the SEC, the Audit Committee reviewed and discussed with management our audited Consolidated Financial Statements for the year ended December 31, 2011 and the notes thereto and other financial information included in the report, including the section of the report entitled Management s Discussion and Analysis of Financial Condition and Results of Operations. The Audit Committee also discussed with PwC, our independent registered public accounting firm for 2011, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended, including, among other things, matters related to the conduct of the audit of our financial statements. The Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC s communications with the Audit Committee concerning independence, and has discussed with PwC their independence from us.

Based on its reviews and discussions described above, the Audit Committee recommended to our board of directors that our audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2011 for filing with the SEC.

Members of the Audit Committee

David C. Carney (Chairman)

James W. Jennings

Jan Nicholson

Robert W. Richards

Noel J. Spiegel

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EXECUTIVE OFFICERS

The following information is provided with respect to each of our current executive officers. Our executive officers are appointed by our board of directors to serve in their respective capacities until their successors are duly appointed and qualified or until their earlier resignation or removal.

Sanford A. Ibrahim	Information about Mr. Ibrahim appears in the section of this proxy statement entitled Proposal 1 Election of Directors.
C. Robert Quint	Mr. Quint, 52, Executive Vice President and Chief Financial Officer of Radian, has served in this role since April 1999. Mr. Quint joined Radian Guaranty in August 1990 as Vice President, Administration and Controller. In January 1995, Mr. Quint was named Vice President, Finance and Controller of Radian and Radian Guaranty. He was appointed Senior Vice President, Chief Financial Officer of Radian and Radian Guaranty in January 1996.
Teresa Bryce Bazemore	Ms. Bazemore, 52, President of Radian Guaranty, was appointed President of our mortgage insurance business in July 2008. She joined Radian in October 2006 as Executive Vice President, General Counsel and Corporate Secretary and also served as Radian s Chief Risk Officer from January 2007 to July 2008. Before joining Radian, Ms. Bazemore served as General Counsel, Senior Vice President and Secretary of Nexstar Financial Corporation, a provider of mortgage outsourcing solutions to financial institutions. Prior to that, she was General Counsel for Bank of America Mortgage and held other senior legal leadership roles for PNC Mortgage Corporation and Prudential Home Mortgage Company. Since July 2011, Ms. Bazemore has been serving as President of Mortgage Insurance Companies of America (MICA), the trade association representing the private mortgage insurance industry. Ms. Bazemore also serves as a member of the Residential Board of Governors of the Mortgage Bankers Association and, in the past, Ms. Bazemore has served on the board of directors of the Mortgage Bankers Association, on the Consumer Advisory Council of the Federal Reserve and on the Fannie Mae National Advisory Council.
Richard I. Altman	Mr. Altman, 45, Executive Vice President and Chief Risk Officer of Radian, was appointed to this role in May 2011. Mr. Altman joined Radian in July 2003 as Vice President, Operations, Finance and Planning and has held several positions while at Radian, including Vice President of Strategic Initiatives, Vice President of Corporate Planning, Senior Vice President of Corporate Planning and Administration and Executive Vice President and Chief Administrative Officer. Before joining Radian, Mr. Altman served as Vice President of Sales and Operations for the International Group at Pearson Education, a global publisher of educational, financial and technical materials. Prior to that, Mr. Altman held other senior operational and strategy roles at American Express and Citibank, and also served as a Change Management Consultant with Accenture, a global management consulting, technology services and outsourcing company.
Edward J. Hoffman	Mr. Hoffman, 38, Executive Vice President, General Counsel and Corporate Secretary of Radian, was appointed General Counsel and Corporate Secretary in July 2008. Mr. Hoffman joined Radian in August 2005 as Vice President, Assistant General Counsel and was promoted to Senior Vice President, Assistant General Counsel in February 2008. Prior to joining Radian, Mr. Hoffman was a senior associate in the Corporate and Securities Group of Drinker Biddle & Reath LLP in Philadelphia. Mr. Hoffman also currently serves as our Corporate Responsibility Officer.

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Catherine M. Jackson	Ms. Jackson, 49, Senior Vice President, Controller of Radian, joined Radian in this role in January 2008. Before joining Radian, Ms. Jackson served eight years with Capmark Financial Group Inc., a financial services company, including as Chief Accounting Officer from June 2004 to August 2007. Prior to Capmark, she served eight years with Salomon Smith Barney as manager of accounting policy. She began her career in the audit practice at KPMG in Philadelphia.
H. Scott Theobald	Mr. Theobald, 51, Executive Vice President, Chief Risk Officer, Radian Guaranty, was appointed Senior Vice President, Chief Risk Officer of Radian Guaranty in October 2007 and Executive Vice President in November 2008. He joined Radian in April 1997 and has served in various pricing and risk-related roles, including Vice President of Structured Transactions of Radian Guaranty, Vice President of Enterprise Risk Management of Radian and Senior Vice President of Risk Management of Radian. Before joining Radian, Mr. Theobald worked in various analytical roles at Freddie Mac. Prior to that, he was an economist at the Bureau of Labor Statistics.

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BENEFICIAL OWNERSHIP OF COMMON STOCK

Security Ownership of Management

The following table shows all shares of our common stock that were deemed to be beneficially owned, as of April 13, 2012, by: each of our directors, nominees for director at the annual meeting and our executive officers named in the 2011 Summary Compensation Table below; and all of our current directors and executive officers as a group. In general, a person beneficially owns shares if he or she has, or shares with others, the right to vote or dispose of them, or if he or she has the right to acquire them within 60 days of April 13, 2012 (such as by exercising options).

Name (1)	Shares Beneficially Owned (2)	Percent of Class
Herbert Wender	282,155	*
David C. Carney	87,584	*
Howard B. Culang	81,554	*
Lisa W. Hess	0	*
Stephen T. Hopkins	91,554	*
Sanford A. Ibrahim	1,020,064	*
James W. Jennings	100,584	*
Brian D. Montgomery	0	*
Ronald W. Moore	84,384	*
Gaetano Muzio	0	*
Jan Nicholson	80,352	*
Robert W. Richards	86,534	*
Anthony W. Schweiger	92,184	*
Gregory V. Serio	0	*
Noel J. Spiegel	20,000	*
C. Robert Quint	215,564	*
Teresa Bryce Bazemore	165,780	*
Robert H. Griffith	509	*
Edward J. Hoffman	58,411	*
H. Scott Theobald	106,271	*
All current directors and executive officers as a group (18 persons)	2,653,876	1.99%

* Less than one percent of class. Percentages are calculated in accordance with Rule 13d-3 under the Securities Exchange Act of 1934.

(1) The address of each person listed is c/o Radian Group Inc., 1601 Market Street, Philadelphia, Pennsylvania 19103-2337.

(2) Each individual (including each current executive officer) has or is entitled to have within 60 days of April 13, 2012, sole voting or dispositive power with respect to the shares reported as beneficially owned, other than: (i) Mr. Hopkins, who shares voting and dispositive power with his spouse over 10,000 of the shares reported as beneficially owned; (ii) Mr. Schweiger, who shares voting and dispositive power with his spouse over 9,800 of the shares reported as beneficially owned (which shares are held in an account subject to a margin arrangement and may be pledged); (iii) Mr. Spiegel, whose spouse owns 10,000 of the shares reported as beneficially owned and as to which shares Mr. Spiegel disclaims beneficial ownership; and (iv) Mr. Quint, whose spouse owns 1,600 of the shares reported as beneficially owned. In addition to shares owned outright, the amounts reported include:

Shares of our common stock allocable to our named executive officers based on their holdings in the Radian Group Inc. Stock Fund under the Radian Group Inc. Savings Incentive Plan as of March 6, 2012.

Shares that may be acquired within 60 days of April 13, 2012 through the exercise of non-qualified stock options, as follows: Mr. Wender 8,500 shares; Mr. Carney 2,400 shares; Mr. Culang 2,400

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shares; Mr. Hopkins 2,400 shares; Mr. Ibrahim 436,700 shares; Mr. Jennings 2,400 shares; Mr. Moore 2,400 shares; Mr. Richards 2,400 shares; Mr. Schweiger 2,400 shares; Mr. Quint 80,400 shares; Ms. Bazemore 36,900 shares; Mr. Hoffman 29,450 shares; Mr. Theobald 55,100 shares; and all current directors and executive officers as a group 689,325 shares.

Shares that may be acquired within 60 days of April 13, 2012 upon the exercise of stock-settled restricted stock units awarded to our non-employee directors as follows: Mr. Wender 38,879 shares; Mr. Carney 20,796 shares; Mr. Culang 20,796 shares; Mr. Hopkins 20,796 shares; Mr. Jennings 20,796 shares; Mr. Moore 20,796 shares; Ms. Nicholson 20,796 shares; Mr. Richards 20,796 shares; Mr. Schweiger 20,796 shares; and all current directors and executive officers as a group 205,247 shares. All stock-settled restricted stock units granted to a director will be converted into shares of our common stock upon the director s departure from our board. The restricted stock units vest three years from the date of grant or earlier upon a director s retirement, death or disability. All of our directors other than Ms. Hess and Mr. Spiegel are eligible to retire.

Shares that may be issued within 60 days of April 13, 2012 upon the conversion of phantom stock awards granted to our non-employee directors as follows: Mr. Wender 57,106 shares; Mr. Carney 59,188 shares; Mr. Culang 58,358 shares; Mr. Hopkins 58,358 shares; Mr. Jennings 59,188 shares; Mr. Moore 59,188 shares; Ms. Nicholson 55,056 shares; Mr. Richards 59,188 shares; Mr. Schweiger 59,188 shares; and all current directors and executive officers as a group 524,818 shares. All vested phantom stock awards granted to a director will be converted into shares of our common stock upon the director s departure from our board. The amounts set forth in the table also include dividend equivalents to be settled in shares of our common stock upon conversion of a director s phantom shares.

Shares of restricted stock held by our named executive officers as follows: Mr. Ibrahim 165,496 shares; Mr. Quint 31,150 shares; Ms. Bazemore 57,550 shares; Mr. Hoffman 8,850 shares; Mr. Theobald 17,000 shares; and all current directors and executive officers as a group 301,396 shares. The individuals holding these shares possess voting power with respect to such unvested shares of restricted stock.

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Security Ownership of Certain Stockholders

The following table provides information concerning beneficial ownership of our common stock by the only persons shown by our records or the SEC s public records as beneficially owning more than 5% of our common stock:

Name and Business Address	Shares Beneficially Owned	Percent of Class
FMR LLC (1) 82 Devonshire Street Boston, MA 02109	13,307,886	9.99%
Rima Senvest Management, LLC (2) 110 East 55th Street, Suite 1600 New York, NY 10022	8,687,263	6.50%
BlackRock, Inc. (3) 40 East 52nd Street New York, NY 10022	7,010,343	5.26%
Dimensional Fund Advisors LP (4) Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	6,917,760	5.19%

(1) Based on a Schedule 13G/A filed with the SEC on February 14, 2012. These securities are beneficially owned by various investment management subsidiaries and affiliates of FMR LLC. FMR LLC reports that it has sole dispositive power with respect to 13,307,886 shares. Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, may be deemed to control FMR LLC.

(2) Based on a Schedule 13G/A filed with the SEC on February 14, 2012 by Rima Senvest Management, LLC and Richard Mashaal who share voting and dispositive power for these shares.

(3) Based on a Schedule 13G/A filed with the SEC on February 8, 2012. BlackRock, Inc. reports that it has sole voting power for 7,010,343 shares. These securities are beneficially owned by funds and accounts managed by BlackRock, Inc. and its subsidiaries.

(4) Based on a Schedule 13G/A filed with the SEC on February 14, 2012. Dimensional Fund Advisors LP reports that it has sole voting power for 6,763,163 shares. These securities are beneficially owned by funds for which Dimensional Fund Advisors LP or its subsidiaries act as an investment advisor, sub-advisor and/or manager.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and to furnish copies of these reports to us. Based on our review of the copies of the reports we have received, and written representations received from our executive officers and directors with respect to the filing of reports on Forms 3, 4 and 5, we believe that all filings required to be made during 2011 were made on a timely basis.

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COMPENSATION OF EXECUTIVE OFFICERS

AND DIRECTORS

Compensation Discussion and Analysis

I. Executive Summary and Compensation Philosophy

The following is a review of our senior executive compensation programs and policies, including the material compensation decisions made in 2011 under the programs with respect to the following executive officers, whom we refer to as our named executive officers or NEOs :

- Sanford A. Ibrahim, Chief Executive Officer (our principal executive officer)
- C. Robert Quint, Chief Financial Officer (our principal financial officer)
- Teresa Bryce Bazemore, President, Radian Guaranty
- Edward J. Hoffman, Executive Vice President, General Counsel and Corporate Secretary
- H. Scott Theobald, Executive Vice President, Chief Risk Officer, Radian Guaranty
- Robert H. Griffith, former Executive Vice President, Chief Operating Officer, Radian Guaranty

Mr. Griffith served as Executive Vice President, Chief Operating Officer, of Radian Guaranty until September 20, 2011.

Radian s Compensation Program The Company s Perspective and Philosophy

In 2007, the U.S. housing market collapsed, the financial crisis began and the Company was launched into a period of uncertainty. As a result, we had to completely rethink our overall approach to compensation, including how we thought about pay-for-performance and how performance is best defined and measured in this environment. Given market dynamics and their effect on us and our competitors, it became increasingly difficult to rely on predictions of our future results or to look to traditional measures of performance and peer comparisons as a means for adequately judging our performance and the efforts of our NEOs. These circumstances demanded a unique approach to address an unprecedented set of circumstances.

The compensation approach developed by the Compensation and Human Resources Committee of our Board of Directors (referenced in this Compensation Discussion and Analysis as the Committee) has been successful in motivating our NEOs to overcome a number of difficult challenges. We believe these efforts, which are more fully discussed below, are largely the reason for our on-going viability and continued strong market presence in the mortgage insurance industry. At the same time, given the change in how we define, assess and reward performance in our situation, our approach to compensation also has produced consequences that may appear to run counter to more conventional analysis about pay and performance. In an effort to address these concerns, we offer the following questions and answers for your consideration.

Ø ***How did Radian s compensation philosophy change in 2008?***

Most importantly, we had to adjust our perspective on how to measure performance as part of our pay-for-performance philosophy. Beginning in 2008, the survival and repositioning of the Company became the two most critical items of focus for management. As a result, we adjusted our compensation programs to emphasize those priorities that would help us navigate through the crisis period and position the Company to create long-term stockholder value. This approach is evident in our 2008 Non-Equity Long-Term Incentive or LTI Awards, as discussed below. Next, we increased the amount of Committee discretion necessary for assessing performance appropriately under our awards. While we recognize the more subjective nature of this approach, the inability to project future performance demanded a more qualitative approach to compensation oversight. Finally, because the impact of our credit decisions may not become apparent for some period of time, we extended the length of the performance period for assessing short-term performance by incorporating a medium-term incentive (MTI) award into our short-term incentive (STI) program. In making this change, we believe that we are the only participant in the mortgage insurance and financial guaranty industries that has adopted this longer term, pay-at-risk approach for evaluating short-term decisions.

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- ***Why did Radian s reported executive compensation increase significantly in 2011?***

The increase was driven by two items the payout of the 2008 Non-Equity LTI Award, which is discussed below, and the form and applicable SEC reporting requirements for our LTI awards. Given the confluence of these two impacts on 2011 reported compensation, we believe the increase in 2011 total reported compensation may be characterized as an anomaly and not a trend, and we expect that total reported compensation for our NEOs, and especially for our CEO, will decrease in 2012.

- ***A significant portion of Radian s 2011 total NEO compensation relates to the 2008 Non-Equity LTI Award. Why did Radian grant this award?***

As discussed above, 2008 presented unique challenges that required a different approach to compensation. Each component of the 2008 Non-Equity LTI Award was intended to support the Company s plan for survival and repositioning. Management was successful in executing against our plan, without which the Company may not have survived and would not be positioned as well as it is today. The payouts for these awards were significant to reflect the level of commitment and effort required of management to achieve the Company s objectives We believe this is a good example of a high level of achievement resulting in a high level of reward, which is consistent with our overall pay-for-performance philosophy.

- ***In light of Radian s 2011 total compensation, are the Company s NEOs immune from the Company s financial performance?***

Our NEOs are not immune to the Company s financial performance; rather, their compensation is linked closely to our stock price and financial results. Since 2005, our NEOs collectively have lost over $16.7 million in the value of equity awards granted to them during this time, including over $8 million lost by Mr. Ibrahim. In addition, each of our NEOs has received a below target STI award in each of the last five years, including in 2011 Mr. Ibrahim received $0 in STI and MTI in two of these years. While it was necessary for us to change our compensation programs to include a focus on areas other than stock performance during this period, our NEOs total compensation always has depended, to a large extent, on our financial performance.

- ***Why does Radian continue to pay STI awards in light of the Company s financial performance?***

Our STI program is intended to recognize achievement of the Company s annual business plan. Accordingly, STI awards focus on more than financial performance and include: (i) core business metrics such as the expected profitability of new business, market share, and capital management; (ii) our success in executing upon strategic initiatives; and (iii) how we perform relative to our mortgage insurance peers. We believe our future financial performance depends on our success in these areas, and so we continue to pay our NEOs commensurate with their performance against our annual plans. As discussed above, in light of our financial performance, our NEOs have received below target STI awards in each of the last five years.

- ***Why has Radian underperformed against companies in its GICS code?***

Our Global Industry Classification Standard or GICS code (Thrifts and Mortgage Finance) includes companies whose core businesses are very different from ours. Unlike many companies in our GICS code, we are not a bank, we did not receive assistance from the federal government, and we have been especially susceptible to the performance of the housing market, which has remained depressed despite improvement in the overall economy. Importantly, as discussed in more detail below, we are one of the few surviving companies in both of our primary sectors, and we believe that we have performed very well against the remaining companies that are similarly situated to us.

Ø ***Has Radian maintained a strong connection between pay and performance?***

We understand that it may appear that there is a pay-for-performance disconnect given our financial performance and the reported compensation for our CEO. However, we believe that a deeper

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consideration of our unique circumstances, the critical performance achieved by our CEO or other NEOs and our overall performance relative to other similarly situated companies, reflects a strong connection between pay and performance. As discussed above, our NEOs are not immune to our financial performance, having collectively lost over $16.7 million in the value of equity awards granted to them since 2005. At the same time, our NEOs have led the Company through a period of crisis by executing a business plan aimed at positioning the Company to deliver long-term stockholder value. We believe the Company is better positioned today due to these achievements. This is particularly true when considering that a number of the Company s competitors have failed to survive the financial downturn.

Ø ***When do you plan to revert to a more normalized approach to executive compensation?***

We have already begun to do so. In 2009, we amended our 2008 Equity Plan to allow us to grant cash-based equity awards without reducing our share reserve. Beginning in 2010, we granted equity awards that were formulaic and based on total shareholder return (TSR). In 2011, as the predictability of our future results became more certain, we eliminated non-equity LTI awards from our LTI program. As the environment becomes more certain and predictable for the Company, we expect our overall compensation approach to continue to become less qualitative and more formula based, with a heavier focus on more traditional measures of performance.

Overview of Performance and Compensation

We insure mortgages and structured and public finance credits. Consequently, our short-term results continue to be negatively impacted by the slow macroeconomic recovery, including ongoing weakness in the housing market and high unemployment. For example, a significant portion of our mortgage insurance losses in 2011 relate to the insurance we wrote in 2006 and 2007. Since 2007, business and economic conditions have significantly affected all participants in our industries. The private mortgage insurance industry has paid approximately $30 billion in claims during this period and three of our eight mortgage insurance competitors currently are operating under regulatory oversight, including one that has filed for bankruptcy. The financial guaranty industry also has been affected, with only one company currently writing new business and four companies operating under some form of regulatory oversight. Despite the unique challenge of having significant operations in both of these sectors, we have navigated these difficulties, while at the same time transforming our Company into a market leader in the mortgage insurance sector that we believe is poised to generate future stockholder value. In light of this, we do not believe that our short-term financial results reflect the accomplishments of our NEOs during the past few years of unprecedented operating and economic conditions.

We have been focused on managing through the economic downturn while positioning the Company to produce future long-term value for our stockholders. Beginning in 2008, in response to