

**ADDITIONAL INFORMATION ON TRIAD GUARANTY INC. TRANSACTION WITH  
ESSENT GUARANTY, INC.**

**1. Q: What is the transaction that is described in Triad's October 7, 2009 press release and 8-K?**

A: Triad has entered into a definitive asset purchase agreement (the "Purchase Agreement") to sell Triad's information technology and operating platform (the "Asset Sale") to Essent Guaranty, Inc. ("Essent"), a new mortgage insurer.

**2. Q: What exactly is being sold?**

A: Triad is selling to Essent Triad's Information Technology and Operating Platform which includes all of Triad's proprietary mortgage insurance software and substantially all of Triad's supporting hardware, as well as certain other assets.

**3. Q: Who is Essent?**

A: Essent Guaranty is a member of Essent Group Ltd., a Bermuda-based holding company for a new family of businesses providing primary mortgage insurance and reinsurance coverage on residential property loans. Essent was founded in 2008 to provide private capital to America's housing finance system, and is backed by a premier group of financial services investors. Essent, headquartered in Radnor, Pennsylvania, will establish an operations and technology center in Winston-Salem, North Carolina, where Triad is based, and a number of Triad's information technology and operations employees are expected to be employed by Essent upon the closing of the Asset Sale.

**4. When is this transaction effective?**

A: The Closing Date will be announced and is expected to be completed during Triad's 2009 fourth quarter.

**5. Q: Will this impact the Triad insured book of business?**

A: No. Triad will retain the obligation for all risks insured under its existing insurance contracts and will continue to pursue the voluntary run-off of its existing in-force book of business.

**6. Q: Will Triad continue to provide the services we need at a continued level of service that we expect?**

A: Yes. The transaction should be transparent to Triad's customers. As one of the conditions to closing the Asset Sale, the parties expect to enter into a services agreement (the "Services Agreement") pursuant to which Essent will provide ongoing information systems maintenance and services, customer services, policy administration support, technology development services, disaster recovery services and business continuity planning support to Triad after the closing

**7. Q: What services will Triad retain?**

A: The services that Triad will retain include, but are not limited to, all responsibility and personnel related to Quality Assurance, Loss Management, Administrative Services, Legal, Compliance, and Corporate functions. Triad will retain all of its risk on insurance issued by Triad and Essent will not assume or share in this risk. Triad will continue to directly manage loss mitigation and claims activity during its run-off.

**8. Q: Will any of the contact (email or phone) information change for Triad employees?**

A: No

**9. Q: Do I need to change any of our company's current processes, reporting or communication based on this transaction?**

A: No

**10. Q: What benefits does Triad get out of this transaction?**

A: This transaction allows Triad to realize the value from the MI infrastructure and platform we have built over the years and realize cost savings by outsourcing functions that can be more efficiently and effectively provided by a third party.

**11. Q: Where can I learn more about Essent?**

A: Essent has more information on their website at [www.Essent.us](http://www.Essent.us) or you can contact  
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