

RADIAN GROUP INC
Form 424B5
June 17, 2015
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CALCULATION OF REGISTRATION FEE

	Title of each class of securities offered	Maximum aggregate offering price	Amount of registration fee
	5.250% Senior Notes due 2020	\$350,000,000	\$40,670(1)

(1) The filing fee is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-195738**

Prospectus Supplement

(To Prospectus dated May 6, 2014)

\$350,000,000

Radian Group Inc.

5.250% Senior Notes due 2020

Radian Group is offering \$350,000,000 aggregate principal amount of its 5.250% Senior Notes due 2020. The notes will bear interest at a rate of 5.250% per year, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2015. The notes will mature on June 15, 2020 unless earlier redeemed. We may redeem the notes at any time or from time to time, in whole or in part, at the applicable redemption price as described in this prospectus supplement in the section entitled "Description of Notes - Optional Redemption."

The notes will be Radian Group's general unsecured, senior obligations and will rank equally in right of payment with all of its other existing and future obligations that are unsecured and unsubordinated; senior in right of payment to Radian Group's existing and future obligations that are expressly subordinated in right of payment to the notes; effectively subordinate to any of Radian Group's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally subordinated to all existing and future liabilities, including claims with respect to insured policies and trade payables, of its subsidiaries.

The notes will not be listed on any securities exchange or automated dealer quotation system.

Investing in the notes involves a high degree of risk. You should carefully consider the discussion under Risk Factors beginning on page S-6 of this prospectus supplement, on page 5 of the accompanying prospectus and in the reports we file with the Securities and Exchange Commission that are incorporated by reference into this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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	Per Note	Total
Public offering price (1)	100.00%	\$ 350,000,000
Underwriting discounts and commissions	1.625%	\$ 5,687,500
Proceeds to Radian Group Inc. (before expenses) (1)	98.375%	\$ 344,312,500

(1) Plus accrued interest, if any, from, and including, June 19, 2015.

The underwriters expect to deliver the notes in book-entry form only, through the facilities of The Depository Trust Company on or about June 19, 2015.

Bookrunning Managers

Goldman, Sachs & Co. BofA Merrill Lynch Deutsche Bank Securities

Prospectus Supplement dated June 16, 2015

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless the context otherwise requires, we use the terms Company, we, us, and our to refer to Radian Group Inc. and its subsidiaries. When we use the term Radian Group we are only referring to Radian Group Inc. and not its subsidiaries.

This document is comprised of two parts. The first part is the prospectus supplement, which describes the specific terms of this note offering and certain other matters relating to us and our financial condition, and it adds to and updates information contained in the accompanying prospectus and documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, dated May 6, 2014, which provides more general information about the securities Radian Group may offer from time to time under the registration statement, some of which may not apply to the notes covered by this prospectus supplement. If there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information in this prospectus supplement will control. You should read both this prospectus supplement and the accompanying prospectus together with the additional information described in Where You Can Find More Information and the documents listed in Information Incorporated by Reference before you decide whether to invest in the notes.

In making an investment decision, you must rely on your own examination of the Company and the terms of this offering and the notes, including the merits and risks involved. We are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser. You should not consider any information in this prospectus supplement or the accompanying prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor or tax advisor for legal, business and tax advice regarding an investment in the notes.

You should rely only on the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus and any free writing prospectus that Radian Group authorizes to be distributed to you. Radian Group has not, and the underwriters have not, authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. Radian Group is not and the underwriters are not making an offer to sell the notes or soliciting an offer to buy the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus, any free writing prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since such respective dates.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission, or the SEC, a registration statement on Form S-3, of which this prospectus supplement and the accompanying prospectus are a part. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information with respect to the Company and the notes offered hereby, you are referred to the registration statement, including the exhibits and schedules to the registration statement. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other document referred to in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus are not necessarily complete and, where that contract or other document is an exhibit to the registration statement, each statement is qualified in all respects by the exhibit to which the reference relates.

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We file annual, quarterly and current reports, proxy statements and other information with the SEC. These documents contain specific information regarding us. These documents, including any exhibits and schedules, may be inspected without charge at the SEC's principal office in Washington, D.C., and copies of all or any part of such documents may be obtained from the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that provides online access to reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at the address <http://www.sec.gov>. Radian Group's common stock is listed on the New York Stock Exchange under the ticker symbol RDN. Our SEC filings are also available (free of charge) from our website at www.radian.biz. Information contained on our website or any other website is not incorporated into this prospectus supplement or the accompanying prospectus and does not constitute a part of this prospectus supplement or the accompanying prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

In addition to historical information, this prospectus supplement and the accompanying prospectus, including the information incorporated by reference into this prospectus supplement and the accompanying prospectus, contain statements relating to events, developments or results that we expect or anticipate may occur in the future. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act) and the United States of America (U.S.) Private Securities Litigation Reform Act of 1995. In most cases, forward-looking statements may be identified by words such as anticipate, may, will, could, should, would, expect, intend, plan, goal, contemplate, believe, project, potential, continue, seek, strategy, future, likely or the negative or other variations on these words and other similar expressions. Forward-looking statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management's current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking statement. These statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment. New risks emerge from time to time and it is not possible for us to predict all risks that may affect us. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements, including:

changes in general economic and political conditions, including unemployment rates, changes in the U.S. housing and mortgage credit markets (including declines in home prices and property values), the performance of the U.S. or global economies, the amount of liquidity in the capital or credit markets, changes or volatility in interest rates or consumer confidence and changes in credit spreads, all of which may be impacted by, among other things, legislative activity or inactivity, actual or threatened downgrades of U.S. government credit ratings, or actual or threatened defaults on U.S. government obligations;

changes in the way customers, investors, regulators or legislators perceive the strength of private mortgage insurers;

catastrophic events, increased unemployment, home price depreciation or other negative economic changes generally or in geographic regions where our mortgage insurance exposure is more concentrated;

Radian Guaranty Inc.'s ability to remain eligible under applicable requirements imposed by the Federal Housing Finance Agency (FHFA) and by Fannie Mae and Freddie Mac (collectively, the GSEs) to insure loans purchased by the GSEs;

our ability to maintain sufficient holding company liquidity to meet our short- and long-term liquidity needs. We expect to contribute a significant amount of our holding company liquidity to support Radian Guaranty Inc.'s compliance with the final financial requirements (PMIERS Financial Requirements) of the Private Mortgage Insurer Eligibility Requirements that were issued by the FHFA in final form on April 17, 2015 (PMIERS) and which become effective for existing mortgage insurers on December 31, 2015. Our projections regarding the amount of holding company liquidity that we may contribute for Radian Guaranty Inc. (Radian Guaranty), a Pennsylvania domiciled insurance subsidiary of Radian Group, to comply with the PMIERS Financial Requirements are based on our estimates of Radian Guaranty's Minimum Required Assets (a risk-based minimum required asset amount, as defined in the PMIERS, calculated based on net risk in force, which approximates the maximum loss exposure at any point in time (RIF) and a variety of measures designed to evaluate credit quality) and Available Assets (as defined in the PMIERS, these assets primarily include the liquid assets of a mortgage insurer and its affiliated reinsurers, and exclude premiums received but not

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yet earned (Unearned Premium Reserves), which may not prove to be accurate, and which could be impacted by: (1) our ability to receive GSE approval for the amendments to our existing quota share reinsurance arrangements and receive the full PMIERS benefit for these arrangements; (2) whether we elect to convert certain liquid assets into PMIERS-compliant Available Assets; (3) factors affecting the performance of our mortgage insurance business, including our level of defaults, prepayments, the losses we incur on new or existing defaults and the credit characteristics of our mortgage insurance; and (4) how much capital we expect to maintain at our mortgage insurance subsidiaries in excess of the amount required to satisfy the PMIERS Financial Requirements. Contributions of holding company cash and investments from Radian Group will leave less liquidity to satisfy Radian Group's future obligations. Depending on the amount of holding company contributions that we make, we may be required or may decide to seek additional capital by incurring additional debt, by issuing additional equity, or by selling assets, which we may not be able to do on favorable terms, if at all;

our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy existing and future state regulatory requirements, including new capital adequacy standards that currently are being developed by the National Association of Insurance Commissioners (NAIC) and that could be adopted by certain states in which we write business;

changes in the charters or business practices of, or rules or regulations imposed by or applicable to the GSEs, including: (1) the implementation of the final PMIERS, which (a) will increase the amount of capital that Radian Guaranty is required to hold, and therefore, reduce our current returns on subsidiary capital, (b) impose extensive and more stringent operational requirements in areas such as claim processing, loss mitigation, document retention, underwriting, quality control, reporting and monitoring, among others, that may result in additional costs to achieve and maintain compliance, and (c) require the consent of the GSEs for Radian Guaranty to take certain actions such as paying dividends, entering into various inter-company agreements, and commuting or reinsuring risk, among others; (2) changes that could limit the type of business that Radian Guaranty and other private mortgage insurers are willing to write, which could reduce our new insurance written (NIW); (3) changes that could increase the cost of private mortgage insurance, including as compared to the Federal Housing Administration's (FHA) pricing, or result in the emergence of other forms of credit enhancement; and (4) changes that could require us to alter our business practices and which may result in substantial additional costs;

our ability to continue to effectively mitigate our mortgage insurance losses, including a decrease in net Rescissions (our legal right, under certain conditions, to unilaterally rescind coverage on our mortgage insurance policies if we determine that a loan did not qualify for insurance), Claim Denials (our legal right, under certain conditions, to deny a claim) or Claim Curtailments (our legal right, under certain conditions, to reduce the amount of a claim, including due to servicer negligence) resulting from an increase in the number of successful challenges to previous Rescissions, Claim Denials or Claim Curtailments (including as part of one or more settlements of disputed Rescissions or Claim Denials), or as a result of the GSEs intervening in or otherwise limiting our loss mitigation practices, including settlements of disputes regarding Loss Mitigation Activities (activities such as Rescissions, Claim Denials, Claim Curtailments and cancellations);

the negative impact that our Loss Mitigation Activities may have on our relationships with our customers and potential customers, including the potential loss of current or future business and the heightened risk of disputes and litigation;

any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance;

a substantial decrease in the persistency rates of our mortgage insurance policies, which has the effect of reducing our premium income on our premiums on mortgage insurance products paid on a monthly installment basis (Monthly Premium Policies) and could decrease the profitability of our mortgage insurance business;

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heightened competition for our mortgage insurance business from others such as the FHA, the U.S. Department of Veterans Affairs and other private mortgage insurers (including with respect to other private mortgage insurers, those that have been assigned higher ratings than we have, that may have access to greater amounts of capital than we do, or that are new entrants to the industry, and therefore, are not burdened by legacy obligations) and the impact such heightened competition may have on our returns and our NIW;

the increased demand from lenders for customized (reduced) rates on lender-paid, single premium mortgage insurance products, which could further reduce our overall average premium rates and returns and, to the extent we decide to limit this type of business, could adversely impact our market share and our customer relationships;

changes to the current system of housing finance, including the possibility of a new system in which private mortgage insurers are not required or their products are significantly limited in effect or scope;

the effect of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the financial services industry in general, and on our businesses in particular;

the adoption of new or application of existing federal or state laws and regulations, or changes in these laws and regulations or the way they are interpreted, including, without limitation: (1) the resolution of existing, or the possibility of additional, lawsuits, inquiries or investigations (including a recent inquiry from the Wisconsin Office of the Commissioner of Insurance to all private mortgage insurers pertaining to customized insurance rates and terms offered to mortgage insurance customers); (2) changes to the Mortgage Guaranty Insurers Model Act (Model Act) being considered by the NAIC that could include more stringent capital and other requirements for Radian Guaranty in states that adopt the new Model Act in the future; and (3) legislative and regulatory changes (a) impacting the demand for our products, (b) limiting or restricting the products we may offer or increasing the amount of capital we are required to hold, (c) affecting the form in which we execute credit protection, or (d) otherwise impacting our existing businesses or future prospects;

the amount and timing of potential payments or adjustments associated with federal or other tax examinations, including deficiencies assessed by the Internal Revenue Service (IRS) resulting from the examination of our 2000 through 2007 tax years, which we are currently contesting;

the possibility that we may fail to estimate accurately the likelihood, magnitude and timing of losses in connection with establishing loss reserves for our mortgage insurance business;

volatility in our results of operations caused by changes in the fair value of our assets and liabilities, including a significant portion of our investment portfolio and certain of our long-term incentive compensation awards;

changes in GAAP (accounting principles generally accepted in the U.S.) or SAP (statutory accounting practices including those required or permitted, if applicable, by the insurance departments of the respective states of domicile of our insurance subsidiaries) rules and guidance, or their interpretation;

legal and other limitations on amounts we may receive from our subsidiaries as dividends or through our tax- and expense-sharing arrangements with our subsidiaries; and

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the possibility that we may need to impair the estimated fair value of goodwill established in connection with our acquisition of Clayton Holdings LLC (Clayton), a Delaware domiciled indirect non-insurance subsidiary of Radian Group, the valuation of which requires the use of significant estimates and assumptions with respect to the estimated future economic benefits arising from certain assets acquired in the transaction such as the value of expected future cash flows of Clayton, Clayton s workforce, expected synergies with our other affiliates and other unidentifiable intangible assets.

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For more information regarding these risks and uncertainties as well as certain additional risks that we face, investors should review the discussion under **Risk Factors** in this prospectus supplement and the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, including the discussion under **Risk Factors** and **Management's Discussion and Analysis of Financial Condition and Results of Operations** in our Annual Report on Form 10-K for the year ended December 31, 2014, and the discussion under **Risk Factors** and **Management's Discussion and Analysis of Financial Condition and Results of Operations** in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, and those risks detailed in our subsequent reports and registration statements filed from time to time with the SEC. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date of the document in which they are included.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us, Radian Group's notes and this offering. It highlights selected information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. Because this is a summary, it does not contain all of the information that you should consider before investing in the notes. Before making an investment decision, you should read this entire prospectus supplement, including the section entitled Risk Factors, the accompanying prospectus, our financial statements and the accompanying notes to the financial statements and the other documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

About Radian Group Inc.

We provide mortgage insurance on first-lien mortgage loans and products and services to the mortgage and real estate industries.

We have two business segments Mortgage Insurance and mortgage and real estate services (Services):

Our Mortgage Insurance segment provides credit-related insurance coverage, principally through private mortgage insurance, to mortgage lending institutions. We provide our mortgage insurance products mainly through our wholly-owned subsidiary, Radian Guaranty. Private mortgage insurance protects mortgage lenders from all or a portion of default-related losses on residential mortgage loans made to home buyers who generally make down payments of less than 20% of the home's purchase price. Private mortgage insurance also facilitates the sale of these mortgage loans in the secondary mortgage market, most of which are sold to the GSEs.

Our Services segment provides outsourced services, information-based analytics and specialty consulting for buyers and sellers of, and investors in, mortgage loans and other real estate-related loans and securities and other debt instruments. The primary services of our Services segment include: (1) loan review/due diligence; (2) surveillance; (3) valuation and component services; (4) real estate owned (REO) management; and (5) EuroRisk mortgage services in the United Kingdom and Europe. These services and solutions are provided primarily through Clayton and its subsidiary Green River Capital LLC.

Currently, our business strategy is focused on: (1) growing our Mortgage Insurance business by writing insurance on high-quality mortgages in the U.S. and by exploring potential international opportunities; (2) leveraging our Services segment product offerings to deepen our Mortgage Insurance customer relationships; (3) growing our fee-based revenues as a percentage of Radian's total revenues, primarily by expanding our presence in the real estate and mortgage finance industries; (4) continuing to manage losses and reduce our legacy exposure; and (5) continuing to effectively manage our capital and liquidity positions, including compliance with the PMIERS Financial Requirements and other regulatory requirements, as well as strengthening our balance sheet and improving our debt maturity profile with the objective of regaining investment-grade credit ratings in the future. In furtherance of our business strategy, from time to time we may, among other things, seek to redeem, repurchase or exchange some of our outstanding debt for cash or for a combination of cash and our common stock or other securities, make acquisitions, investments and enter into strategic transactions or other initiatives.

Our principal executive offices are located at 1601 Market Street, Philadelphia, Pennsylvania 19103. Our telephone number is (215) 231-1000. We maintain a website at www.radian.biz where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement. Radian Group was incorporated in Delaware in 1991.

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SUMMARY OF THE OFFERING

Summary details of the offering of the notes under this prospectus supplement and the accompanying prospectus are set forth below. Certain terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus supplement and the Description of Debt Securities section of the accompanying prospectus contain a more detailed description of the terms and conditions of the notes.

Issuer	Radian Group Inc.
Securities Offered	\$350 million principal amount of 5.250% Senior Notes due 2020.
Maturity Date	June 15, 2020.
Issue Price	100% of principal amount, plus accrued interest, if any, from, and including, June 19, 2015.
Interest	5.250% per annum. Interest will accrue from June 19, 2015, or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2015, except as described in this prospectus supplement.
Optional Redemption	We may redeem the notes, in whole or in part, at our option at any time or from time to time prior to maturity at a redemption price equal to the greater of (i) 100% of the aggregate principal amount of the notes to be redeemed and (ii) the make-whole amount, which is the sum of the present values of the remaining scheduled payments of principal and interest in respect of the notes to be redeemed discounted at the Treasury Rate plus 50 basis points, plus, in each case, accrued interest thereon to, but excluding, the redemption date. See Description of Notes Optional Redemption.
Ranking	The notes will be our senior unsecured obligations and will rank: <ul style="list-style-type: none"> senior in right of payment to any of our existing and future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; effectively subordinate to certain of our secured indebtedness, to the extent of the value of the assets securing such indebtedness; and

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structurally subordinated to all existing and future liabilities, including claims with respect to insured policies and trade payables, of our subsidiaries.

See Description of the Notes Ranking.

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As of March 31, 2015, Radian Group had outstanding \$195.5 million principal amount of 9.000% Senior Notes due in June 2017, \$450 million principal amount of 3.000% Convertible Senior Notes due in November 2017 (the 2017 Convertible Notes), \$400 million principal amount of 2.250% Convertible Senior Notes due in March 2019, and \$300 million principal amount of 5.500% Senior Notes due in June 2019. At that date we had no secured indebtedness outstanding. However, under the indentures governing Radian Group's 9.000% Senior Notes due in June 2017, Radian Group's 5.500% Senior Notes due in June 2019 and the indenture to be entered into in connection with the notes offered hereby, any lien that we grant on the stock of certain subsidiaries would also have to secure the indebtedness under those indentures, which would cause all such indebtedness to rank equally and ratably. See Description of Other Indebtedness.

Our subsidiaries currently have no indebtedness that would effectively rank senior to the notes. As adjusted to include the sale of the notes we are offering by this prospectus supplement, our total consolidated long-term debt as of March 31, 2015 would have been approximately \$1,569.0 million and would have represented approximately 40.8% of our total capitalization as of that date. See Capitalization.

The indenture governing the notes does not limit the amount of debt that we may incur.

Use of Proceeds

The net proceeds from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses, are expected to be approximately \$343,503,000.

We intend to use the net proceeds from this offering, together with shares of our common stock, to purchase some of our outstanding 2017 Convertible Notes and thereafter, to repurchase some of our common stock we may issue in connection with such purchases, and otherwise for general corporate purposes.

Book-Entry Form

The notes will initially be issued in book-entry form, represented by a global certificate deposited with, or on behalf of, The Depository Trust Company, which we refer to as DTC, and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee. Interests in the global certificate may be exchanged for certificated securities only in limited circumstances. See Description of the Notes Book-Entry, Settlement and Clearance.

Absence of a Public Market for the Notes

The notes are a new issue of securities, and there is currently no established market for the notes. Accordingly, we cannot assure you

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as to the development or liquidity of any market for the notes. We do not intend to list the notes on any securities exchange or automated dealer quotation system.

U.S. Federal Tax Consequences

For a discussion of certain U.S. federal income tax consequences of holding and disposing of the notes, see Certain U.S. Federal Income Tax Considerations.

Trustee

U.S. Bank National Association

Risk Factors

You should carefully consider the discussion under Risk Factors beginning on page S-6 of this prospectus supplement, page 5 of the accompanying prospectus and in the reports we have filed with the SEC that are incorporated by reference into this prospectus supplement and the accompanying prospectus to better understand the risks associated with an investment in the notes.

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The following table sets forth our historical ratio of earnings to fixed charges and to combined fixed charges from continuing operations. Earnings consist of income from continuing operations before income taxes, extraordinary items, cumulative effect of accounting changes, equity in net income of affiliates and fixed charges. Fixed charges consist of interest expense and capitalized interest and an estimate of interest expense within rental expense. Radian Group does not have any outstanding shares of preferred stock.

	Three Months Ended		Fiscal Years Ended December 31,			
	March 31, 2015	2014	2013	2012	2011	2010
Net earnings (loss) available for fixed charges	\$ 162,201	498,928	(97,708)	(219,327)	(522,574)	(878,569)
Ratio of net earnings (loss) to fixed charges (B)	6.6x	5.4x	(A)	(A)	(A)	(A)

(A) For the periods ended December 31, 2013, 2012, 2011 and 2010, earnings were not adequate to cover fixed charges in the amount of \$(97,708), \$(219,327), \$(522,574) and \$(878,569), respectively.

(B) Interest on tax accruals that are non-third party indebtedness are excluded from the calculation.

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Investing in the notes involves risk. Please see the risk factors described in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014 and Part II. Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the three months ended March 31, 2015, which are incorporated by reference in this prospectus supplement. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus supplement and the accompanying prospectus. These risk factors may be amended, supplemented or superseded from time to time by subsequent filings we make under the Securities Exchange Act of 1934, as amended.

The risks and uncertainties discussed below and in the documents incorporated by reference are not the only risks we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, financial condition or results of operations. Our business, financial condition, or results of operations could be materially adversely affected by any of these risks and cause the value of our securities, including the notes offered by this prospectus supplement, to decline. The trading price of our securities, including the notes offered by this prospectus supplement, could decline due to any of these risks, and you could lose all or part of your investment.

Risks Related to the Offering and the Notes

The notes are unsecured, are effectively subordinated to any future secured indebtedness, to the extent of the value of the assets securing that indebtedness, and are structurally subordinated to all liabilities of our subsidiaries, including claims with respect to insured policies and trade payables.

The notes will rank equal in right of payment to our existing and future liabilities that are not expressly subordinated in right of payment to the notes. In addition, the notes are unsecured and effectively subordinated in right of payment to certain of our future secured indebtedness, to the extent of the value of the assets securing that indebtedness, and are structurally subordinated to all liabilities of our subsidiaries, including claims with respect to insured policies and trade payables. As of March 31, 2015, Radian Group had no secured debt outstanding. At that date, Radian Group did have outstanding \$195.5 million principal amount of 9.000% Senior Notes due in June 2017, \$450 million principal amount of 3.000% Convertible Senior Notes due in November 2017, \$400 million principal amount of 2.250% Convertible Senior Notes due in March 2019, and \$300 million principal amount of 5.500% Senior Notes due in June 2019, all of which would rank equally in right of payment with the notes offered hereby. Under the indentures governing our 9.000% Senior Notes due June 2017, our 5.500% Senior Notes due June 2019 and the indenture to be entered into in connection with the notes offered hereby, however, any lien on the stock of certain subsidiaries would also have to secure the indebtedness under these indentures, which would cause all such indebtedness to rank equally and ratably. In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, any of our assets that secure other debt will be available to pay obligations on the notes only after the secured debt has been paid in full. We may not have sufficient assets to pay any or all of the amounts due on the notes then outstanding. See Description of the Notes Ranking. After giving effect to the issuance of the notes and the receipt (but not the use) of proceeds therefrom, our total indebtedness as of March 31, 2015 would have been approximately \$1,569.0 million and would have represented approximately 40.8% of our total capitalization as of that date. See Capitalization.

Radian Group acts principally as a holding company and does not have any significant operations of its own. Because most of its operations are conducted through its subsidiaries, substantially all of its consolidated assets are held by its subsidiaries and most of its cash flow, and consequently, its ability to pay any amounts due on the notes, is dependent on the earnings of those subsidiaries and the transfer of funds by those subsidiaries to it in the form of dividends or permitted payments under tax- and expense-sharing arrangements, supplemented with borrowings. However, the notes are exclusively Radian Group's obligations, and are not guaranteed by any of its subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or

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otherwise, to pay holders any amounts due on the notes or to make any funds available for payment on the notes, whether by dividends, loans or other payments, although Radian Group does have expense-sharing arrangements in place with its principal operating subsidiaries under which those subsidiaries have agreed to pay Radian Group their share of holding-company-level expenses, including interest expense on long-term debt. These expense-sharing arrangements, as amended, have been, where required, approved by applicable state insurance departments, but such approval may be modified or revoked at any time. Radian Group's insurance subsidiaries' ability to pay dividends to Radian Group is subject to various conditions imposed by the insurance regulations of the states where they are domiciled and by the GSEs and certain rating agencies. As a result, Radian Group may be unable to gain access to the cash flow or assets of its insurance subsidiaries.

We may not have the ability to raise the funds necessary to pay the principal of or interest on the notes.

At maturity, the entire principal amount of the notes then outstanding, plus any accrued and unpaid interest, will become due and payable. We must pay interest in cash on the notes on June 15 and December 15 of each year, beginning on December 15, 2015. We may not have enough available cash or be able to obtain sufficient financing at the time we are required to make these payments. Furthermore, our ability to make these payments may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to pay interest when due, if uncured for 30 days, or our failure to pay the principal amount when due will constitute an event of default under the indenture. A default under the indenture could also lead to a default under agreements governing our existing or future indebtedness. If the repayment of that indebtedness is accelerated as a result, then we may not have sufficient funds to repay that indebtedness or to pay the principal of or interest on the notes.

Increased leverage as a result of this offering may harm our financial condition and results of operations.

Upon the sale of the notes we are offering by this prospectus supplement our total consolidated long-term debt as of March 31, 2015 would have been approximately \$1,569.0 million and would have represented approximately 40.8% of our total capitalization as of that date. See

Capitalization. In addition, the indenture for the notes will not restrict our ability to incur additional indebtedness. We may also incur additional long-term indebtedness or obtain working capital lines of credit to meet future financing needs. Our indebtedness could have significant negative consequences for our business, financial condition and results of operations including:

increasing our vulnerability to adverse economic and industry conditions;

limiting our ability to obtain additional financing;

requiring the dedication of a substantial portion of the cash flow from our subsidiaries' operations to service our indebtedness, thereby reducing the amount of cash flow available for other purposes;

making it more difficult for us to obtain investment-grade credit ratings in the future;

making it more difficult to conduct our business successfully or to grow our business, or limiting our flexibility in planning for, or reacting to, changes in our business; and

placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

We cannot assure you that we will continue to maintain sufficient cash reserves or that our business will generate cash flow from operations at levels sufficient to permit us to pay principal, premium, if any, and interest on our indebtedness, or that our cash needs will not increase. Our cash needs may increase if, among other things, we make acquisitions, investments, or enter into strategic transactions or initiatives in furtherance of our business strategy. If we are unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments, or if we fail to comply with the various requirements of our existing indebtedness, the notes or any indebtedness which we may incur in the future, which may be secured, we would be in default, which would permit the holders of such indebtedness to accelerate the maturity of that indebtedness and could cause defaults

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under other indebtedness. Any default on our indebtedness would likely have a material adverse effect on our business, financial condition and results of operations.

The indenture under which the notes will be issued will contain only limited protection for holders of the notes in the event Radian Group is involved in certain transactions, including a highly leveraged transaction, reorganization, restructuring, merger or similar transaction, in the future.

The indenture under which the notes will be issued may not sufficiently protect holders of notes in the event Radian Group is involved in certain transactions, including a highly leveraged transaction, reorganization, restructuring, merger or similar transaction. The indenture will not contain any provisions restricting Radian Group's ability to:

incur additional debt, including debt senior in right of payment to the notes;

pay dividends on or purchase or redeem capital stock;

sell assets (other than certain restrictions on Radian Group's ability to consolidate, merge or sell all or substantially all of its assets and its ability to sell the stock of certain subsidiaries);

enter into transactions with affiliates;

create liens (other than certain limitations on creating liens on the stock of certain subsidiaries) or enter into sale and leaseback transactions; or

create restrictions on the payment of dividends or other amounts to Radian Group from its subsidiaries.

Additionally, the indenture will not require Radian Group to offer to purchase the notes in connection with a change of control or require that Radian Group adhere to any financial tests or ratios or specified levels of net worth. Radian Group's ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the notes could have the effect of diminishing Radian Group's ability to make payments on the notes when due.

If an active and liquid trading market for the notes does not develop, the market price of the notes may decline and you may be unable to sell your notes.

The notes are a new issue of securities for which there is currently no public market. We do not intend to list the notes on any national securities exchange or to arrange for quotation of the notes on any automated dealer quotation system. The underwriters have indicated to us that they intend to make a market for the notes after the offering is completed as permitted by applicable law and regulations. However, the underwriters may cease their market-making at any time without notice. In addition, the liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, an active trading market may not develop for the notes. Even if a trading market for the notes develops, the market may not be liquid. If an active trading market does not develop or is not maintained, the market price and liquidity of the notes may be adversely affected. In that case, you may be unable to sell your notes at a particular time or you may not be able to sell your notes at a favorable price. It is possible that the market for the notes will be subject to disruptions that may have a negative effect on the holders of notes, regardless of our prospects or financial performance.

An adverse rating of the notes, or a downgrade or potential downgrade of our credit ratings, may cause the trading price of the notes to fall.

Credit ratings are limited in scope, and do not address all material risks related to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. Rating agencies may lower ratings on the notes in the future. If rating agencies assign a

lower-than-expected rating or reduce, or indicate that

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they may reduce, their ratings in the future, the trading price or liquidity of the notes could significantly decline. A downgrade or potential downgrade of our credit ratings may also cause the trading price of the notes to fall. Ratings on the notes are not a recommendation to buy the notes and such ratings may be withdrawn or changed at any time.

We may redeem your notes at our option, which may adversely affect your return.

We may redeem the notes, in whole or in part, at our option at any time or from time to time at the applicable redemption prices described in this prospectus supplement. Prevailing interest rates at the time we redeem the notes may be lower than the interest rate on the notes. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an interest rate equal to or higher than the interest rate on the notes. See Description of Notes Optional Redemption for a more detailed description of the conditions under which we may redeem the notes.

The notes will initially be held in book-entry form and, therefore, you must rely on the procedures and r