

**UNITED STATES OF AMERICA  
CONSUMER FINANCIAL PROTECTION BUREAU**

\_\_\_\_\_  
**IN THE MATTER OF MGIC INVESTMENT CORP.** )  
\_\_\_\_\_)

**DECLARATION OF DAN D. STILWELL**

Pursuant to 28 U.S.C. 1746, Dan D. Stilwell declares as follows:

1. I am Vice President–Chief Compliance Officer, Assistant General Counsel and Assistant Secretary at Mortgage Guaranty Insurance Corporation (“MGIC”). I make this Declaration based on personal knowledge and based on information I learned from reviewing pertinent records of MGIC relating to its reinsurance transactions with lender-affiliated reinsurers and from discussions with MGIC’s IT Staff. I make this Declaration in support of MGIC’s petition to modify or set aside the CFPB’s CID.

2. MGIC entered into a Tolling Agreement with the CFPB, effective February 1, 2012.

3. None of the loans that MGIC insured and reinsured with lender-affiliated reinsurers on an excess of loss basis closed on or after February 1, 2009.

4. In order to comply with the CID, MGIC would be forced to potentially search the paper records and emails of hundreds of its employees in virtually every department within the Company because the CID is extremely broad and practically seeks all documents relating to MGIC’s core insurance business and reinsurance, in some instances going back to 1995. Such search and retrieval will disrupt the operations of numerous departments within the Company.

5. MGIC does not maintain any emails sent or received prior to December of 1999. MGIC's emails from the period of December, 1999 through August of 2006 are stored on back up tapes. The tapes do not save only new incremental material, rather each tape is a snap shot of all emails that existed at the time the tape was created. Emails sent or received after August of 2006 are archived in a separate searchable database.

6. In connection with a recent matter, MGIC obtained 3 quotes from nationally reputable vendors to retrieve emails from the daily back-up tapes. The quotes ranged from \$64,600 to \$114,500 to process 100 tapes; from \$177,100 to \$378,250 to process 350 tapes; and from \$357,100 to \$796,500 to process 750 tapes. The cost of searching, retrieving, and processing archived emails after 2006 as well as all electronic records is estimated to cost at least \$250,000.

7. The retrieval, search and processing of all emails in response to the CID will be exponentially higher, as MGIC has approximately 25,720 tapes for the period December 1999-August 2006. The cost of processing those tapes to retrieve the emails, given the estimates set forth in the preceding paragraph, would be at least \$5 Million. In addition, MGIC would need to search the emails for the period August, 2006 to present, search all electronic records, and arguably, produce MGIC's entire databases, such as those that house reinsurance accounting data. Thus, just a production of emails and electronic records responsive to this CID would likely cost MGIC over \$5.25 Million. In addition, MGIC will incur very significant legal and other fees to actually review the electronic and paper records requested by CFPB for responsiveness and privilege.

8. Even a low estimate of the costs MGIC is likely to incur in complying with the CID as written would be unduly burdensome to MGIC, considering the size of the Company and the financial losses it suffered in each of the last 5 years, and in the first three quarters of 2012.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: December 7, 2012.



---

Dan D. Stilwell