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**FGIC RE-ENTERS HEALTHCARE SECTOR**

**July 9, 2004 - New York, NY** – Financial Guaranty Insurance Company (“FGIC”) announced that with the June 30th closing of the Cincinnati Children’s Hospital Medical Center (“Cincinnati Children’s”) bond financing, it has officially re-entered the non-profit healthcare sector. FGIC last insured a new money issue for a non-profit healthcare institution in 1995.

The \$97.785 million Series 2004J Hospital Facilities Revenue Bonds were issued on behalf of Cincinnati Children’s by the County of Hamilton, Ohio. Proceeds from the transaction will be used to fund the construction and equipping of a new building, which will accommodate Cincinnati Children’s expanding research activities, and will include a state-of-the-art data center and additional space for clinical faculty. UBS Financial Services and Seasingood and Mayer served as investment bankers for the transaction.

Cincinnati Children’s is one of the nation’s largest pediatric tertiary care facilities (389 staffed beds) with extensive pediatric research operations and pediatric teaching programs. It is the sole provider of tertiary and quaternary pediatric care in Cincinnati and across a broader region that encompasses southwestern Ohio, northern Kentucky and southeastern Indiana.

Commenting on the transaction, Ellen Gordon, Managing Director and head of Healthcare for FGIC noted, “We wanted our first healthcare deal to be with a highly respected, top tier institution. Cincinnati Children’s, as one of the premier pediatric hospitals in the country, fits the criteria perfectly.”

**Company Profile**

Established in 1983, FGIC is a leading monoline financial guaranty insurance company, primarily engaged in the business of providing credit enhancement on public finance and structured finance securities. FGIC typically guarantees the scheduled payments of principal and interest on an issuer’s obligation. FGIC’s financial strength is rated triple-A by Moody’s Investors Service, Standard & Poor’s and Fitch Ratings.