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FOR IMMEDIATE RELEASE

FGIC CORPORATION ANNOUNCES QUARTERLY RESULTS
FIRST QUARTER NET INCOME $73.4 MILLION, UP 32%

April 30, 2007 – New York, NY – FGIC Corporation, the parent company of Financial Guaranty Insurance Company, announced today that net income for the quarter ended March 31, 2007 was $73.4 million, a 32% increase over net income of $55.5 million for the quarter ended March 31, 2006.

Frank J. Bivona, CEO, commented, "We're pleased with our financial results and the strong upward trends in earnings and return on investment. We remain positive about our long-term prospects. Each quarter brings expansion in the product types and geographical reach for both FGIC and our industry."

Non-GAAP Performance Measures

FGIC uses three non-GAAP performance measures in discussing its financial results and performance: Core Net Income, Adjusted Book Value (ABV) and Adjusted Gross Premiums (AGP) written. These measures are not promulgated in accordance with GAAP and should not be considered substitutes for GAAP measures. Reconciliations of these non-GAAP measures to the comparable GAAP measures are provided elsewhere in this press release.

Core Net Income is an earnings measure used by management and many research analysts. It excludes the net income impact of various gains and losses, principally including net investment gains and losses and mark-to-market gains and losses on credit derivative contracts; it also excludes the net income effect of premiums and deferred acquisition costs that have been accelerated due to refunding activity. A refunding occurs when an insured obligation is called or legally defeased by the issuer prior to its stated maturity. When an obligation insured by the Company is refunded prior to the end of the expected policy coverage period, any remaining unearned premiums ("refunding premiums") and deferred acquisition costs are recognized.

ABV adjusts stockholders' equity to add the impact of deferred income from business previously generated, net of expenses and taxes. Management and many research analysts consider ABV to be helpful in valuing the Company, as it reflects income from business previously written that will be earned over time.

AGP includes both direct and assumed financial guaranty premiums and amounts received for credit default swaps, which the Company considers to be a normal extension of its financial guaranty business. AGP adjusts gross premiums written to add the present value of estimated future installment premiums written on financial guaranty policies issued in the period. Management and many research analysts believe that AGP is a useful measure of business production because it provides an estimate of the total value associated with business written in a period, rather than just the premiums collected or earned in the period. Further, AGP correlates to reported insured par written.

Net Income

Net income for the quarter ended March 31, 2007 was $73.4 million, a 32% increase over net income of $55.5 million for the quarter ended March 31, 2006. The increase in net income was attributable to business growth, higher refundings and a positive income tax adjustment of $6.8 million. The net income effect of refunding premiums was $9.6 million for the first quarter 2007, compared to $4.7 million for the first quarter 2006, reflecting higher refunding volume in the public finance market. Table I provides the breakout of net income and Core Net Income for the first quarters 2007 and 2006.

Table I – Net Income **($ millions)**	**1Q 2007**	**1Q 2006**	**% Change**
Net Income	$73.4	$55.5	+32%
Less: Net income effect of net gains and losses	(0.7)	-	
Less: Net income effect of refunding premiums	(9.6)	(4.7)	
Core Net Income	$63.1	$50.8	+24%

Book Value and ABV

At March 31, 2007, stockholders’ equity, or book value, equaled $2.43 billion, an increase of 3% over stockholders’ equity of $2.35 billion at December 31, 2006. ABV increased to $3.56 billion at March 31, 2007, from $3.48 billion at December 31, 2006. Table II shows the increases in book value and ABV between March 31, 2007 and December 31, 2006.

Table II – Increase in Book Value and ABV **($ millions)**	**Mar 31, 2007**	**Dec 31, 2006**	**% Change**
Book Value	$2,427.8	$2,354.0	+3%
Adjusted Book Value	$3,562.0	$3,478.0	+2%

NEW BUSINESS PRODUCTION

AGP

AGP for the quarter ended March 31, 2007 was $119.3 million, a 15% decrease from AGP Written of $139.9 million for the quarter ended March 31, 2006.

Though total public finance issuance was up, AGP declined for the quarter, reflecting the mix of bond transactions sold during the period. Public finance issuance was dominated by general obligation and tax-backed deals, where the FGIC guarantee adds less value, and tobacco settlement bonds which

FGIC does not insure without additional state backing. In addition, aggressive competition in healthcare and investor-owned utility financings affected FGIC's participation in those sectors.

In structured finance, despite well-publicized problems in the sub-prime mortgage market, FGIC insured several mortgage-backed deals that met its conservative modeling assumptions, as well as a number of CLO transactions. The commercial asset-backed sector was quieter in the quarter, though FGIC has a solid pipeline of deals going forward.

In international finance, FGIC guaranteed a fairly broad range of asset types, including utilities, future flows and mortgage-backed securities. Deals were closed in five different countries, reflecting the continued broadening of its global business. As with structured finance, the international pipeline looks very promising going forward.

Table III breaks down AGP for public, structured and international finance for the first quarters of 2007 and 2006.

Table III – AGP **($ millions)**	**1Q 2007**	**1Q 2006**	**% Change**
U.S. Public Finance	$48.6	$64.8	-25%
U.S. Structured Finance	33.2	49.6	-33%
International Finance	37.5	25.5	+47%
Total	**$119.3**	**$139.9**	**-15%**

REVENUE ANALYSIS

Gross Premiums Written

Gross direct and assumed premiums written for the quarter ended March 31, 2007 were $103.2 million, a 16% increase from the $89.3 million written for the quarter ended March 31, 2006. Gross premiums written included revenues received for credit default swaps. For public finance, gross premiums written in the first quarter of 2007 were $46.4 million, compared to $61.3 million for the comparable period of 2006, reflecting a market mix that was heavily weighted in sectors such as standard general obligation and tax settlement bonds in which FGIC does not participate actively. Structured finance gross premiums written in the quarter were $29.3 million, growing 32% from $22.2 million in the comparable quarter of 2006, stemming from FGIC's increased participation over the past several years in a broader array of asset classes. International finance gross premiums written in the first quarter of 2007 were $27.5 million, compared to $5.8 million for the first quarter of 2006. The increase reflected the development of the international business since the opening of FGIC's UK office in late 2004.

Net Premiums Written

Net premiums written (gross direct and assumed premiums written less premiums ceded to reinsurers) for the quarter ended March 31, 2007 were $91.0 million compared to $82.9 million for the quarter ended March 31, 2006. For the 2007 quarter, ceded premiums were $12.2 million, compared to $6.4 million for the 2006 quarter. The increase in ceded premiums resulted from increased use of reinsurance to reduce risk concentrations.

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Net Premiums Earned

Net premiums earned for the quarter ended March 31, 2007 were $76.6 million, a 29% increase over net premiums earned of $59.5 million for the quarter ended March 31, 2006. While a significant part of the increase was attributable to increased refunding premiums -- $15.1 million for the quarter ended March 31, 2007, versus $7.3 million for the comparable period of 2006 -- more than half of the growth in net premiums resulted from the substantial increase in new business production since the beginning of 2004.

Table IV breaks down net earned premiums for the first quarters of 2007 and 2006.

Table IV – Net Premiums Earned **($ millions)**	**1Q 2007**	**1Q 2006**	**% Change**
U.S. Public Finance	$29.5	$28.1	+5%
U.S. Structured Finance	26.3	21.4	+23%
International Finance	5.7	2.7	+111%
Total Scheduled Premiums Earned	$61.5	$52.2	+18%
Refunding Premiums	15.1	7.3	+104%
Total	**$76.6**	**$59.5**	**+29%**

Investment Income

For the quarter ended March 31, 2007, net investment income was $37.8 million, a 16% increase over net investment income of $32.6 million for the quarter ended March 31, 2006. The increase in the 2007 first quarter was attributable to continued growth in the investment portfolio as a result of strong positive cash flow from premium production.

EXPENSE ANALYSIS

Underwriting and Other Operating Expenses

Underwriting and other operating expenses for the quarter ended March 31, 2007 were $20.2 million, compared to $16.8 million for the quarter ended March 31, 2006. The increase was attributable to the higher staffing levels required to support business growth and increased employee related expenses.

Loss Expenses

FGIC's loss reserves fall into two categories: case reserves and watchlist reserves. Case reserves are established for insured obligations that are presently or likely to be in payment default at the balance sheet date, and for which future loss is probable and can be reasonably estimated. Watchlist reserves recognize the potential for claims against FGIC on insured obligations that are not presently in payment default, but which have migrated to an impaired level where there is a substantially increased probability of default. Watchlist reserves reflect an estimate of probable loss given evidence of impairment, and a reasonable estimate of the amount of loss in the event of default. Loss expense increases when there is deterioration relating to credits within the impaired portfolio and declines, or may be negative, if there are improvements in credits within the various impaired list categories.

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For the quarter ended March 31, 2007, FGIC's loss expense was $1.2 million compared to a benefit of $1.9 million for the comparable period of 2006. The 2007 expense was primarily attributable to quarterly adjustments to existing case and watchlist reserves to reflect changes in loss expectations.

Interest Expense

For the quarter ended March 31, 2007, interest expense was $4.9 million, unchanged from the quarter ended March 31, 2006. Debt outstanding at both March 31, 2007 and 2006 was $323.4 million.

BALANCE SHEET ITEMS

Assets

Total assets as of March 31, 2007 were $5.08 billion compared to total assets of $5.01 billion as of December 31, 2006. Total assets include $750 million, reflecting the Company's first quarter 2006 consolidation of a third party variable interest entity (VIE) in connection with a financial guaranty provided by the Company on a structured insurance transaction. The Company consolidated an equal amount of liabilities related to this transaction. The creditors of the VIE do not have recourse to the general assets of the Company outside the financial guaranty policy provided to the VIE.

Investment Portfolio

At March 31, 2007, the market value of the Company's investment portfolio was $3.84 billion. The portfolio had an average credit quality of 'AA' based on Standard & Poor's ratings, and no investment was rated below 'A'.

ADDITIONAL INFORMATION

Claims-Paying Resources

As of March 31, 2007 FGIC had total claims-paying resources of $4.83 billion. This included capital and surplus of $1.12 billion and contingency reserves of $1.34 billion (which combined comprise qualified statutory capital, shown below), and unearned premium and loss and loss adjustment expense reserves totaling $1.43 billion. Table V provides comparisons of claims-paying resources as of March 31, 2007 and December 31, 2006.

Table V – Statutory Basis Claims-Paying Resources **($ millions)**	**As of Mar 31, 2007**	**As of Dec 31, 2006**
Qualified Statutory Capital	$ 2,460.8	$ 2,405.1
Soft Capital	300.0	300.0
Unearned Premiums and Loss and Loss Adjustment Expense Reserves	1,427.5	1,407.1
Present Value of Installment Premiums	643.0	630.8
Total Claims-Paying Resources	**$ 4,831.3**	**$ 4,743.0**

Insured Portfolio

As of March 31, 2007, FGIC had $303 billion in insured net par outstanding. U.S. public finance transactions represented approximately 73% of the total insured portfolio; U.S. structured finance represented approximately 23% of the portfolio; and international finance obligations accounted for the remaining 4%. Based on FGIC internal ratings, expressed in industry terms, 82% of the insured portfolio had an underlying credit quality of 'A' or better, with over 99% rated investment grade at March 31, 2007.

Conference Call

FGIC will host a conference call at 2:00 p.m. (ET) on April 30, 2007, to discuss first quarter 2007 results. The dial-in number for the call is (877) 407-0782 (domestic) and (201) 689-8567 (international). The call will also be broadcast live at *http://www.fgic.com/investorrelations/conferencecalls/*.

Beginning at 4:00 p.m. (ET) on April 30, 2007, and running through May 30, 2007, the conference call will be available in replay. The replay numbers are (877) 660-6853 (domestic) and (201) 612-7415 (international). The Account and Conference ID numbers for the replay are 286 and 237658, respectively. A recording will also be available on FGIC's website, *www.fgic.com*, approximately one hour after the end of the conference call.

NON-GAAP PERFORMANCE MEASURES

As discussed above, FGIC uses non-GAAP performance measures in discussing its financial results and performance, and management, investors and others consider these non-GAAP measures to be useful in understanding the Company's financial position and new business production. Investors routinely request this information, and many of FGIC's competitors disclose similar information. However, these items are not promulgated in accordance with GAAP and should not be considered substitutes for GAAP measures.

ABV

ABV is defined as book value (stockholders' equity), plus the after-tax value of the net unearned premium reserve less deferred acquisition costs, plus the after-tax present value of estimated future installment premiums, discounted at 5%. Table VI provides a reconciliation of ABV to book value at March 31, 2007 and December 31, 2006.

Table VI – ABV to Book Value **($ millions)**	**As of Mar 31, 2007**	**As of Dec 31, 2006**
ABV	$ 3,562.0	$ 3,478.0
Net unearned premium reserve less deferred acquisition costs	(716.2)	(714.0)
Net present value of future installment premiums	(418.0)	(410.0)
Book value	$ 2,427.8	$ 2,354.0

AGP

AGP is defined as gross up-front premiums written plus the present value of estimated future installment premiums written on financial guaranty policies issued in the period, discounted at 5%. A reconciliation of AGP to gross premiums written for the quarters ended March 31, 2007 and 2006 is included below in Table VII:

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Table VII – AGP to Gross Premiums Written ($ millions)	1Q 2007	1Q 2006
AGP	$119.3	$139.9
Present value of installment premiums written on policies issued during the period	(49.6)	(75.3)
Gross up-front premiums written	69.7	64.6
Gross installment premiums written	33.5	24.7
Gross premiums written	$103.2	$89.3

Company Profile

FGIC Corporation is an insurance holding company whose wholly owned subsidiary, Financial Guaranty Insurance Company, provides credit enhancement on public finance and structured finance securities in the U.S. and internationally. Established in 1983, FGIC is one of the four leading monoline financial guarantors. 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.

Cautionary Statement

This press release contains "forward-looking statements" – that is, statements related to possible future events. Forward-looking statements often address expectations and beliefs as to future performance, results and business plans. You should not place undue reliance on forward-looking statements, because they are necessarily subject to risks and uncertainties that could cause actual results and performance to differ materially from those expressed or implied by our forward-looking statements. Among the factors that could cause our results or performance to differ are: (1) our ability to maintain our ratings; (2) our ability to execute our business plan and to continue to expand into new markets and asset classes; (3) competitive conditions and pricing levels; (4) legislative and regulatory developments within the United States and abroad, including the effect of new pronouncements by accounting authorities and changes in tax laws; (5) the level of activity within the national and international debt markets; (6) fluctuations in the economic, credit or interest rate environment in the United States or abroad; and (7) other risks and uncertainties that have not been identified by us at this time. Forward-looking statements are based upon our current expectations and beliefs concerning future events. We undertake no obligation to update or revise any forward-looking statement, except as required by law.

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FGIC Corporation and Subsidiaries

Consolidated Balance Sheets

($ thousands, except per share amounts)	Mar 31, 2007	Dec 31, 2006
Assets	*(unaudited)*	
Fixed maturity securities, available for sale, at fair value (amortized cost of $3,674,745 in 2007 and $3,644,851 in 2006)	**$ 3,671,590**	$ 3,644,195
Variable interest entity fixed maturity securities, held to maturity at amortized cost	**750,000**	750,000
Short-term investments	**164,568**	222,844
Total investments	**4,586,158**	4,617,039
Cash and cash equivalents	**111,392**	33,278
Accrued investment income	**51,868**	50,214
Reinsurance recoverable on losses	**1,183**	1,485
Prepaid reinsurance premiums	**161,249**	156,708
Policy acquisition costs deferred, net	**103,427**	93,170
Property and equipment, net of accumulated depreciation of $2,426 in 2007 and $2,107 in 2006	**2,472**	2,617
Prepaid expenses	**2,073**	1,282
Foreign deferred tax asset	**3,708**	3,491
Other assets	**57,209**	53,948
Total assets	**5,080,739**	5,013,232
Liabilities and stockholders' equity		
Liabilities:		
Unearned premiums	**1,366,529**	1,347,592
Loss and loss adjustment expense reserves	**41,355**	40,299
Ceded reinsurance balances payable	**6,729**	7,524
Accounts payable and accrued expenses	**20,006**	46,207
Other liabilities	**42,131**	40,235
Payable for securities purchased	**–**	10,770
Variable interest entity floating rate notes	**750,000**	750,000
Accrued interest expense – variable interest entity	**1,310**	1,298
Capital lease obligations	**2,988**	2,941
Current income taxes payable	**28,920**	22,609
Deferred income taxes	**69,548**	66,424
Debt	**323,379**	323,373
Total liabilities	**2,652,895**	2,659,272
Stockholders' equity:		
Senior Participating Mandatorily Convertible Modified Preferred Stock, par value $0.01 per share; 2,500 shares authorized, 2,346 shares issued and outstanding at March 31, 2007 and December 31, 2006	**292,211**	287,355
Preferred stock, par value $0.01 per share; 47,500 authorized, none issued and outstanding	**–**	–
Common stock, par value $0.01 per share; 6,000,000 shares authorized, 2,403,223 and 2,403,067 shares issued and outstanding at March 31, 2007 and December 31, 2006, respectively	**24**	24
Treasury stock	**(165)**	–
Additional paid-in capital	**1,444,172**	1,442,077
Accumulated other comprehensive income, net of tax	**5,804**	7,237
Retained earnings	**685,798**	617,267
Total stockholders' equity	**2,427,844**	2,353,960
Total liabilities and stockholders' equity	**$ 5,080,739**	$ 5,013,232

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FGIC Corporation and Subsidiaries

Consolidated Statements of Income (unaudited)

($ thousands)	Three months ended Mar 31, 2007	Three months ended Mar 31, 2006
Revenues:		
Gross direct & premiums written	**$ 103,175**	$ 89,281
Ceded premiums written	**(12,195)**	(6,423)
Net premiums written	**90,980**	82,858
Increase in net unearned premiums	**(14,397)**	(23,394)
Net premiums earned	**76,583**	59,464
Net investment income	**37,772**	32,577
Interest income – investments held by variable interest entity	**11,357**	4,937
Net realized gains (losses)	**261**	62
Net realized and unrealized gains (losses) on credit derivative contracts	**462**	(228)
Other income	**412**	535
Total revenues	**126,847**	97,347
Expenses:		
Loss and loss adjustment expenses	**1,182**	(1,933)
Underwriting expenses	**28,753**	24,435
Deferred policy acquisition costs	**(13,973)**	(12,513)
Amortization of deferred policy acquisition costs	**3,783**	3,192
Other operating expenses	**1,646**	1,664
Interest expense – debt held by variable interest entity	**11,357**	4,937
Interest expense	**4,875**	4,875
Total expenses	**37,623**	24,657
Income before income taxes	**89,224**	72,690
Income tax expense	**15,838**	17,154
Net income	**73,386**	55,536
Preferred stock dividends	**(4,856)**	(4,542)
Net income available to common stockholders	**$ 68,530**	$ 50,994