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FOR IMMEDIATE RELEASE

FGIC Comments on Standard & Poor's Announcement of CreditWatch with Negative Implications

December 19, 2007 – New York, NY – FGIC Corporation, the parent company of Financial Guaranty Insurance Company, today commented on the December 19, 2007 announcement by Standard & Poor's that it has placed FGIC's 'AAA' financial strength and financial enhancement ratings on CreditWatch with negative implications.

As previously reported, the Company has developed, and is actively pursuing, a comprehensive plan to enhance its capital resources. This plan is intended to satisfy, and create an adequate cushion in excess of, Standard & Poor's triple-A capital requirements, as well as those of its other rating agencies, Moody's Investors Service and Fitch Ratings. The Company's investors have voiced their support for the plan and their commitment to maintaining FGIC's triple-A ratings. However, the Company can give no assurance that the plan will be implemented to the satisfaction of all rating agencies in a timely manner.

Standard & Poor's also placed FGIC UK Limited's 'AAA' financial strength and financial enhancement ratings and FGIC Corporation's 'AA' senior unsecured rating on CreditWatch with negative implications.

Company Profile

FGIC Corporation is an insurance holding company whose wholly owned subsidiary, Financial Guaranty Insurance Company, provides credit enhancement on infrastructure finance and structured finance securities worldwide. 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 execute our capital enhancement and risk mitigation plan in a timely manner and thereby maintain our current triple-A ratings; (2) credit market conditions and other factors that could reduce demand for our products; (3) our ability to execute our business plan; (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 credit and other markets; (6) fluctuations in the economic, credit or interest rate environment in the United States or abroad; (7) possible defaults and/or additional ratings downgrades or actions in mortgage-backed securities and (8) 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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