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FGIC Corporation to Appoint John S. Dubel CEO

October 31, 2008 – New York, NY – Financial Guaranty Insurance Company (FGIC) and parent company FGIC Corporation today announced that John S. Dubel is expected to be appointed Chief Executive Officer (CEO) at the next meeting of the Board of Directors, replacing Frank J. Bivona whose contract is expiring at the end of the year. Mr. Bivona has been CEO since December 2003.

“Over the past several months FGIC and its leadership team have made significant progress in FGIC’s recovery and remediation efforts,” noted Thomas C. Wajnert, Chairman of FGIC Corporation’s Board of Directors. “On behalf of the Board, I’d like to thank Frank who was a critical engineer of these endeavors.”

“I wish to thank the Board of Directors and all of my colleagues at FGIC for their extraordinary efforts and dedication over the past five years,” said Mr. Bivona.

Mr. Dubel has been FGIC’s Chief Risk Officer since January 2008 with responsibility for Credit Risk Management, the Special Exposure Group and Portfolio Risk Review. From 2006 through 2007, Mr. Dubel was a Managing Director of Gradient Partners, L.P., a single strategy distressed hedge fund. Before joining Gradient, from 2002 to 2006, Mr. Dubel was a Managing Director with AlixPartners, LLC, a firm specializing in turnaround and crisis management. While at AlixPartners, he served as Chief Executive Officer of Cable & Wireless America, President and Chief Operating Officer at RCN Corporation, Chief Restructuring Officer of Anchor Glass Container Corporation and Acterna Corporation, and CFO at WorldCom, Inc. Mr. Dubel received a Bachelor in Business Administration degree from the College of William and Mary.

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.

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) the extent to which we are able to pursue and achieve strategic alternatives, either with or without the participation of potential investors and other third parties; (2) further downgrades to our ratings; (3) our ability to execute our business plan given our current ratings, possible further downgrades and

market conditions; (4) the results of loss mitigation efforts; (5) legislative and regulatory developments within the United States and abroad, including the effect of new pronouncements by accounting authorities; (6) competitive conditions and pricing levels; (7) the level and nature of activity within the national and international credit and other markets; (8) fluctuations in the economic, credit or interest rate environment in the United States or abroad; (9) possible defaults and/or additional ratings downgrades or actions in mortgage-backed securities and (10) 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.